FEDERAL BUREAU OF INVESTIGATION
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CC MR. LADD
MR. ROSEN
MR. WINTERROWD
MR. PRICE
MR. LEGGETT

MR. LADD November 14, 1952

A. ROSEN

LOUIS CAMPAGNA, was; CHARLES GIOE, was;
PHILLIP D'ANDREA, was; PAUL DE LUCIA (RICCA), was;
JOHN ROSELLI, was;
BRIBERY; PAROLE MATTERS

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/7/95 BY SP5 [illegible]

PURPOSE

To summarize the detailed memorandum which is attached covering the background and investigation of this matter.

SUMMARY

The subjects were co-defendants in an anti-racketeering case involving George E. Browne and William Bioff in which the Bureau conducted investigation. All subjects were charged with having extorted from various motion picture producers a sum upwards of $1,000,000. Browne and Bioff were found guilty on November 6, 1941. [redacted] b7D who, on December 31, 1943, were each sentenced in the U. S. District Court for the Southern District of New York for 10 years and fined $10,000 for violation of the Anti-Racketeering Statute. All five subjects began serving their sentences on March 8, 1944. They were released on parole on August 13, 1947, by unanimous decision of the U. S. Board of Parole. Bioff and Browne were released on December 22, 1944, on an order issued by U. S. District Judge who [redacted] In a memorandum dated September 15, 1947, former Attorney General Tom C. Clark advised he received this information from Congressman Busbey (R.-Ill.), that there was an indication of bribery in connection with the parole of Campagna, Gioe, D'Andrea, and De Lucia, and requested an immediate and full investigation. Bureau investigation completed in October, 1947, did not disclose any criminal irregularity in the granting of the paroles. Bureau investigation developed that statements made by subjects to their parole officers incorrect, particularly in relation to financial interests. DeLucia failed to report expenditure of $12,324.58 on January 24, 1948, for daughter's wedding reception party. Investigation regarding this reception conducted at specific request of U. S. Attorney, developed payment in cash made by DeLucia to hotel.

DeLucia's parole was revoked on July 15, 1948 and after his apprehension the following day, he was released after many continuances on November 23, 1948. DeLucia rearrested on November 24, 1950, and released on writ of habeas corpus the same date. Case continued until September 9, 1952, when ordered discharged to conditional liberty but to remain on bond pending appeal by Government. Appeal not taken by Government within prescribed period.

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Attachment
ABE:rsn

58-2000-2127

Memorandum for Mr. Ladd

The Bureau, in its investigation in the phase of this case relative to the attempts to revoke parole of the subjects, followed out the specific request of the United States Attorney in Chicago who was operating with blanket authority of the Department.

Our report dated June 12, 1948, concerning investigation of the wedding reception and the fact that DeLucia paid for it in cash was submitted to the United States Attorney who stated that he was pleased with the information developed.

Thereafter, newspaper publicity on July 8, 1948, in Chicago, reflected DeLucia, also known as Paul Ricca, claimed that the funds for the reception were provided by friends and guests. These newspaper clippings submitted to the Department by Bureau. No request ever received from United States Attorney or Department to investigate verecity of DeLucia's statement that friends paid for reception.

One phase of this investigation pending since April 30, 1951, involving attempts to obtain from a convict, [redacted] information he allegedly indicates to have relative to identity of individual who produced cash for DeLucia and Campagna. [redacted] has refused to give further information until his case is resolved and in addition United States Attorney, San Francisco, has requested no interviews be conducted with him until completion of case [redacted] Trial of subject case to begin [redacted] Further interviews with [redacted] will then be conducted. Separate detailed study being given this phase. b7D

ACTION TO BE TAKEN

In order to check out the wedding reception phase in which the Attorney General has evidenced concern, we will have to check to determine what the Parole Board and the Parole Officer in Chicago did with regard to DeLucia's explanation that the funds were supplied by friends. Also, we will have to check with the U. S. Attorney's Office to determine what, if any, action was taken with regard to this particular aspect. Instructions are being immediately issued to Hood at the Washington Field Office to make an immediate check of the Parole Board's records with regard to this particular phase. Thereafter, Chicago will be appropriately instructed. All work is being handled expeditiously.

Mr. Ladd

Novem[illegible] 1[illegible] 1952

Mr. Rosen

LOUIS CAMPAGNA, was;
CHARLES GIOE, was;
PHILLIP D'ANDREA, was;
PAUL DE LUCIA (PICCA) was;
JOHN ROSELLI, was.
BRIBERY
PAROLE MATTERS

3/7/95 SP5Cal

BACKGROUND:

The captioned subjects were codefendants in an Anti-Racketeering case involving George E. Browne and William Bioff, in which the Bureau conducted investigation. Following investigation, these subjects, together with Browne and Bioff, were charged with having extorted from various motion picture producers (such as Loew's inc., Paramount Inc., 20th Century Fox Film Corporation and Warner Brothers Pictures Inc.) a sum upwards of $1,000,000.

On November 6, 1941, Browne and Bioff were found guilty on three counts violating the Federal Anti-Racketeering Statute in that they extorted money from these companies by the use of threats, force and fear. On November 12, 1941, Bioff was sentenced to ten years imprisonment and a $10,000 fine on count one, ten years imprisonment on count two to run concurrently with the present sentence received under count one and ten years and $10,000 fine on count three to run consecutively to the concurrent sentences on counts one and two. The prison sentence on count three was suspended, conditioned however upon payment of the two $10,000 fines. He was then placed on probation for five years; this probationary sentence to begin on completion of the sentence under counts one and two.

On November 12, 1941, Browne was sentenced to eight years and $10,000 fine on count one and on count two to eight years, which are to be served concurrently with the prison sentence under count one. Browne was also sentenced to ten years and $10,000 fine on count three with the same provision as to suspension and probation, conditioned upon payment of the fines as indicated in the case of Bioff.

From the investigation and trial of the Browne and Bioff matter information was developed indicating that certain individuals known as the "Chicago Mob" were behind Browne and Bioff and their extortions from the motion picture industry. The development of this additional phase resulted in the return of indictment against

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Campagna, Cioe, D'Andrea, De Lucia and Roselli.

[redacted]

All five of the subjects began serving their sentences on March 8, 1944. They were all released on parole on August 13, 1947, by a unanimous decision of the U. S. Board of Parole, after they had served a total of three years five months and five days or one month and five days, more than 1/3 of their respective sentences. b7D

[redacted]

ALLEGATION OF BRIBERY IN CONNECTION WITH PAROLE OF SUBJECTS AND REQUEST FOR FBI INVESTIGATION: b7D

In a memorandum dated September 15, 1947, then Attorney General Tom C. Clark advised that he had been informed by Congressman Fred Busbey (R - Ill.) that there was an indication of bribery in connection with the parole of Campagna, Cioe, D'Andrea and De Lucia and requested an immediate and full investigation of this allegation. On the same date the Attorney General telephoned the Director and reiterated his request for a full investigation stating that the Department would prosecute if the allegation was substantiated.

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RESULTS OF BUREAU INVESTIGATION:

The Bureau conducted a full and intensive investigation concerning the alleged irregularities originally reported and these irregularities which came to our attention during the course of this investigation and relating to the parole of the subjects in

this case. This investigation, which was completed in October, 1947, did not disclose any criminal irregularity in the granting of the paroles. However, during the course of the Bureau's investigation information was developed indicating that statements made by the subjects to their parole officers were incorrect, particularly in relation to their financial interests.

Copies of all reports in this investigation were furnished to the Attorney General.

REVOCATION OF PAROLES:

Subject Paul De Lucia was arrested at his residence in Chicago on June 16, 1948, by the U. S. Marshal pursuant to a Parole Violator's Warrant issued by the U. S. Board of Parole.

Louis Campagna, accompanied by his attorney, surrendered to the U. S. Attorney in the chambers of U. S. District Judge John P. Barnes at Chicago on July 23, 1948.

Charles Gioe was arrested by the U. S. Marshal at Chicago on July 23, 1948, on a Parole Violator's Warrant.

A Parole Violator's Warrant was also issued for subject John Roselli, who voluntarily surrendered to the U. S. Marshal at Los Angeles on July 27, 1948.

No action was taken to revoke the parole of Phillip D'Andrea due to his poor health.

SUPPLEMENTAL REQUESTS FOR INVESTIGATION:

Following completion of the original investigation we received supplemental requests for investigation from the Department and the United States Attorney at Chicago. This investigation was conducted and reports submitted to the Department and the United States Attorney.

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LEGAL ACTION TAKEN AGAINST SUBJECT LOUIS CAMPAGNA

On July 21, 1948, as a result of the Parole Violator warrant issued above, Louis Campagna was apprehended by the U. S. Marshal, Chicago, and returned to the Federal Penitentiary at Atlanta, Georgia, on July 23, 1948. Prior to returning to the penitentiary, he had appeared before Judge John P. Barnes who denied his request for freedom on a writ of habeas corpus. On September 2, 1948, he petitioned the U. S. District Court at Atlanta, Georgia, for his release on a writ of habeas corpus. On December 4, 1948, Judge E. Marvin Underwood sustained a writ of habeas corpus for Campagna. He was released from the penitentiary 15 days later.

The Government appealed the decision of Judge Underwood to the U. S. Fifth Circuit Court of Appeals at New Orleans, which on November 12, 1949, reversed the decision of the lower court.

Thereafter, Campagna petitioned the U. S. Supreme Court which on May 16, 1950, granted this petition for a writ of certiorari. In addition to the court case stated above arising out of the action of the U. S. District Court at Atlanta, Georgia, Campagna also initiated two suits in the Circuit Court of Appeals at Chicago, Illinois, arising out of actions in the Federal District Court in Chicago. Specifically, in one instance he appealed from the decision of Judge Barnes with respect to his ruling on his petition for a release from the custody of the U. S. Marshal on a writ of habeas corpus. On September 28, 1949, the Circuit Court formally entered an order denying the motion to dismiss this case without prejudice. In the other instance, Campagna appealed from a decision of Judge Shaw (now deceased), U. S. District Court, Chicago, who denied his motion that the U. S. District Court review the action of the U. S. Board of Parole under the Federal Administrative Act. On September 28, 1949, the Circuit Court also dismissed this motion without prejudice. Insofar as Campagna was concerned this left the only case still pending against him in the U. S. Supreme Court. It is noted in this regard he was joined by his fellow parolee, Charles Gioe. This matter will be treated jointly with Gioe in a subsequent paragraph.

LEGAL ACTION TAKEN AGAINST SUBJECT CHARLES GIOE

On July 23, 1948, as a result of the Parole Violator warrant filed by Judge Rogers, Charles Gioe was apprehended at 5:30 A.M., in Chicago, Illinois, and returned to the Federal Pentitentiary at Atlanta, Georgia, within a few hours. He did not appear in court in Chicago as did Campagna prior to his return to Atlanta. Like Campagna, he petitioned the U. S. District Court at Atlanta, Georgia, for his release from prison on a writ of habeas corpus. At the same time Judge Underwood ruled in favor of Campagna, he also made a similar ruling in Gioe's favor. In accordance with Judge Underwood's sustaining his motion for release, he was released from prison on September 20, 1948. On November 12, 1949, the U. S. Fifth Circuit Court of Appeals at New Orleans reversed Judge Underwood's decision. Gioe, like Campagna, appealed his case to the U. S. Supreme Court, which on May 16, 1950, granted a writ of certiorari. In addition to this, Gioe also initiated a suit arising out of Judge Shaw's refusal to review the action of the U. S. Board of Parole under the Federal Administrative Act. The U. S. Circuit Court of Appeals thereafter dismissed without prejudice on September 28, 1949, this motion of Gioe.

SUBSEQUENT LEGAL STEPS TAKEN AGAINST SUBJECTS LOUIS CAMPAGNA AND CHARLES GIOE

On November 13, 1950, the Supreme Court, by an equally divided vote affirmed the decision of the U. S. Fifth Circuit Court of Appeals at New Orleans in the case against Gioe and Campagna. On January 5, 1951, the Supreme Court issued a mandate remanding this case to the District Court for the Northern District of Georgia. On September 18, 1951, the Honorable E. Marvin Underwood, U. S. District Judge, ordered the discharge of Campagna and Gioe on October 2, 1951, unless further appeals were taken by the Government in this matter. On March 12, 1952, Assistant U. S. Attorney H. H. Tysinger, ND Ga., advised that the Attorney General had recommended against appealing the decision of the Honorable E. Marvin Underwood, which decision granted discharge to Campagna and Gioe. Mr. Tysinger went on

to advise that the motion to dismiss the appeal and an order that the appeal be docketed and dismissed in the U. S. District Court of Appeals for the First District have been forwarded to that Circuit Court of Appeals.

LEGAL STEPS AGAINST JOHN ROSELLI

A Parole Violator's warrant was issued for subject John Roselli and he voluntarily surrendered to the U. S. Marshal at Los Angeles on July 27, 1948. A petition of habeas corpus was immediately filed by Roselli's attorneys. Senior U. S. District Judge Paul J. McCormick issued an order to show cause why the writ should not be granted and set August 2, 1948, for arguments on the order. Judge McCormick also ruled that Roselli must remain in jail pending this hearing. Subsequent postponements were had until September 7, 1948, when Roselli's petition for writ of habeas corpus was denied by the U. S. District Court, Los Angeles. An immediate notice of appeal was filed. On November 16, 1948, the U. S. Board of Parole ordered the release of Roselli, indicating there was insufficient evidence to justify the revocation of his parole.

PAUL DE LUCIA, was. Paul Ricca,
Paul De Lucca, Paul Villa,
Paul Viela, Paul Salvi, Paolo Maglio,
Paul Maglio, "Paul the Waiter" and Paul Ricci

PERSONAL HISTORY:

Paul De Lucia, who is better known in criminal circles as "Paul the Waiter" Ricca, was born in Apricena, Italy, on July 10, 1898. He entered the United States on August 10, 1920, under the name Paul Maglio. He was naturalized in the U. S. District Court at Chicago on September 27, 1928. He is married and has three children. He has resided in the vicinity of Chicago since 1920.

CRIMINAL ACTIVITIES GENERALLY:

De Lucia is well known in underworld circles in Chicago as a racketeer and gangster and was formerly a minor figure in the Capone Gang. He has associated for many years with notorious members of the Capone Gang. He was indicted with other hoodlums by the Cook County, Illinois, Grand Jury on October 18, 1940, on a conspiracy charge. The indictment grew out of the alleged "taking over" of the bartenders union. De Lucia, however, was found not guilty. A Chicago Daily News article on February 14, 1939, indicated that De Lucia had been promoted to a position of leadership in the remnants of the Capone Gang and this promotion created much surprise in underworld circles.

INFORMATION REGARDING THE ...ROLE OF PAUL DE LUCIA:

De Lucia was released on parole on August 13, 1947, after serving the minimum amount of a sentence received on December 31, 1943, after his conviction for violation of the Anti-Racketeering Act. De Lucia remained on parole until July 15, 1948, at which time the parole was revoked pursuant to the Parole Violator's Warrant signed by Judge Fred Rogers, a member of the U. S. Board of Parole. On July 16, 1948, De Lucia was apprehended and committed to the Cook County Jail at Chicago. He petitioned for his release to the U. S. District Court at Chicago, Illinois, and after many continuances and hearings before Judge Michael Igoe was released on November 23, 1948. Judge Igoe ordered his release when the Government, through Assistant U. S. Attorney John P. Lulinski, elected to stand by its position that the acts of the U. S. Board of Parole were

not subject to review by the U. S. District Courts.

The U. S. Attorney at Chicago then appealed the decision of Judge Igoe to the Circuit Court of Appeals, their case number 9788. On December 8, 1949, the Circuit Court of Appeals sustained Judge Igoe's decision.

On June 15, 1950, the U. S. Attorney at Chicago, Illinois, petitioned Judge Igoe for leave to plead over in connection with this case. On September 6, 1950, after oral arguments, the Government's petition for leave to plead over was allowed and the Government was given until September 13 to file the petition; however, on September 29, 1950, Judge Igoe, after reviewing the petition, denied the Government's motion for leave to plead over. He stated that he did not feel that he had jurisdiction in the matter for the U. S. Circuit Court of Appeals had affirmed his previous action and that in his opinion the matter now rested with the Circuit Court of Appeals, to which Court a petition for leave to reopen the case should be directed.

De Lucia was rearrested on November 24, 1950, on the basis of a new warrant issued by the U. S. Parole Board for the following reasons:

1. Failure to make full and truthful parole report covering expenditures during the month of January, 1948.
2. [redacted] b3
3. Failure to reveal source of monies used in settlement of Internal Revenue Tax when questioned before a Congressional Committee of the 81st Congress.
4. [redacted]
5. Failure to conduct himself honorably.

Item number one concerns the wedding breakfast and subsequent reception for De Lucia's daughter held at the Blackstone Hotel in Chicago, January, 1948. This matter is described in greater detail later in this memorandum.

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On November 24, 1950, De Lucia's attorney, George F. Callaghan filed a petition for a writ of habeas corpus for his client. In this petition he stated that a client was being illegally restrained by Thomas F. O'Donovan, Marshal, Chicago, Illinois, and asserted that the action of the Parole Board in causing a new warrant to be issued for the arrest of his client was the result of arbitrary and capricious action and in violation of the law and rights of the petitioner as guaranteed by the constitution. In a hearing before Judge Igoe on November 24, 1950, De Lucia was released on $5,000 bond.

On December 1, 1950, De Lucia's attorneys filed a second amendment. This amendment states that the warrant in the new case should be void "for the reason that it was issued while an identical warrant was the subject of litigation." On January 26, 1951, Judge Igoe ruled that De Lucia was entitled to a hearing on the attempted revocation of his parole and set March 30, 1951, as the date of this hearing. Subsequently, this hearing for revocation of the parole of De Lucia was postponed until May 23, 1951; then until June 8, 1951; then until October 2, 1951. On October 2, 1951, Judge Igoe by agreement of both the Government and the defendant continued the hearing on De Lucia's parole revocation until December 7, 1951. This hearing was then continued until January 11, 1952; then until April 4, 1952, and then until May 16, 1952.

On May 16 this case was taken under advisement on the record and the Government was given ten days to file objections to any data presented by De Lucia's counsel. On May 29, 1952, the Government filed objections to some of the evidence offered by De Lucia's attorneys and the court entered an order as to evidence agreed to as of May 16, 1952, and Judge Igoe took the case under advisement.

On September 9, 1952, pursuant to a memorandum previously filed, Judge Igoe ordered that petitioner De Lucia be discharged on his conditional liberty in the custody of the Attorney General under the supervision of the Board of Parole and that said memorandum stand as the court's finding of facts and conclusions of law. It further ordered that the existing bond of the petitioner remain in full force and effect pending the taking of an appeal by the Government. The above-referred to memorandum entitled "Memorandum Under Stipulation for General Distribution" appears to have been prepared by De Lucia's attorneys and apparently served as a summary of issue and

argument before the Court in this case. This memorandum presented certain arguments to affirm the habeas corpus action in this case and to reinstate De Lucia's prior status. This memorandum was signed by U. S. District Judge Igoe opposite a notation "order to be presented September 9, 1952." Assistant U. S. Attorney Anthony Scariano, Chicago advised on September 30, 1952, that the ruling by Judge Igoe as of September 9, 1952, has the effect of restoring subject De Lucia to his parole status and permits him to remain at liberty on bond pending an appeal from Judge Igoe's ruling by the Government. Mr. Scariano stated that such appeal must be instituted within sixty days from September 9, 1952. Mr. Scariano stated that his office had written to the Department of Justice for a decision as to whether or not an appeal should be taken from Judge Igoe's ruling in this case.

It is to be noted that the sixty-day period in which an appeal by the Government should be instituted expired on November 9, 1952.

JUDGE IGOE'S ALLEGED STATEMENT CONCERNING THE FBI:

Judge Igoe is alleged to have stated that the FBI conducted investigation and came up with no facts to substantiate the irregularities alleged in connection with the granting of the parole in this case. No information is available indicating that Judge Igoe made this statement; however, the Chicago Office is checking the Court Records on November 14, 1952, and particularly the memorandum filed by the defendant's attorneys which served as a summary of issue and argument before the Court in this case and which was filed by Judge Igoe, to determine if the alleged statement is contained therein.

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Memorandum for Mr. Ladd

WEDDING RECEPTION OF DAUGHTER OF PAUL DE LUCIA

REQUEST FOR INVESTIGATION

By letter dated June 9, 1948, directed to our Chicago Division, U. S. Attorney Otto Kerner, Jr. requested investigation concerning the reception following the wedding of Paul DeLucia's daughter. The letter reads as follows:

"In accordance with my telephone conversation with Mr. Richard Costeny this morning, it is requested that further investigation be conducted in the above matter with reference to the wedding reception held some time during the early part of this year at the Blackstone Hotel, Chicago. This wedding reception was held in connection with the marriage of the daughter of Paul DeLucia, one of the subjects. It is believed the reception was staged by Paul DeLucia.

"It is my desire that I be furnished, as soon as possible, with all information available concerning this wedding reception, particularly at whose request and order it was staged, what was the amount of the hotel bill and other expenses; who paid for the expenses, when and how payment was made; and any other pertinent facts that your investigation might disclose. Your fine cooperation in this matter is and will be greatly appreciated."

RESULTS OF INVESTIGATION

After U. S. Attorney Otto Kerner's request was received, an investigation was immediately instituted.

The Chicago Office submitted a report dated June 12, 1948, which was disseminated to the U. S. Attorney at Chicago, Illinois, and to the Department. This report reflects that Mr. George L. Fox, Jr., manager of the Blackstone Hotel, 636 South Michigan Avenue, Chicago, Illinois, advised that the maitre d'hotel, Mr. Charles Mikuta, handled details of the reception. Mr. Fox made the hotel records available to the Bureau for examination.

Mr. Mikuta advised that the arrangements for the wedding reception were made with Mr. Tom Kelly, operator of the St. Hubert's Old English Grill, 316 South Federal Street, who represented the bride's father. Kelly indicated the reception was to be attended by between 500 and 600 people. DeLucia's name was not mentioned in connection with the arrangements but was referred to as "the bride's father."

The folio card covering the hotel statement on the wedding reception reflects the following information:

Memorandum for Mr. Ladd

"Mrs. Alex Ponzio
812 Lathrop Ave.,
River Forest, Ill.

"1948	22 Luncheons at 7.50		165.00	
1-24	Tax		3.30	
	Fee		20.00	
	Capt. Fee		5.00	
	1 check girl		12.50	
	600 Covers at 15.00		9000.00	
	Wedding cake		200.00	
	Beverage		2151.10	
	Tax		227.02	
	396 Bottles Service		594.00	
	6 Bartenders		69.00	
	6 check girls & 2 Wash. Rm. Att.		95.00	
	Waiters Fee		1200.00	
	Local phones		.48	
	Rent of Mike		10.00	
	Room Service		10.68	
	DeLucia	C.83330	13.50	
	Ponzio, A.	C.83331	21.00	
	Kelly, T.	C.83367	27.00	
				13,824.58
1-26	Cash T.J.		12,324.58	
1-27	Allowance		1,500.00	
			13,824.58	13,824.58

1-27	Room A/C	C.83326	170.64	
2-16	Cash T.J.		170.64	

EXPLANATION OF ABOVE CHARGES

The twenty-two luncheons concern the wedding breakfast of the bridal party.

The next four items appearing on this statement consist of the sales tax on the luncheons and the waiters, captains, and check girl fees.

The next item on the folio card is "600 covers $15.00 $9,000.00". Mikuta explained this was the agreed price of $15.00 per individual attending the reception. This charge covered the buffet style wedding supper.

The next item was the cost of the wedding cake of $200. Mikutamentioned the wedding cake was five feet tall.

The next item on the statement under the heading "Beverage" consisted of the cost of the bourbon and scotch and mix. Mikuta explained that this was the cost of all beverages served at the reception other than the champagne.

The tax, which is the next item on the statement, represents the sales tax on food and beverages served.

The next item is $1.50 service charge on 396 bottles of champagne. The champagne was not furnished by the hotel but was arran ed for by Tom Kelly. There were forty cases of imported Italian champagne delivered to the hotel to be used at the reception. The wholesale cost was estimated by Mikuta at between $5.50 and $6.50 per bottle. He stated that of the 480 bottles delivered, only 396 were consumed and the balance was given back to Kelly.

The next two items appearing on the folio card are charges for bartenders, washroom attendants and check girls.

The item on the folio card under the caption "Waiters Fee" of $1200 was the tip for the hotel employees.

The $10.00 charge is for the rental of a microphone used at the reception.

The four items following the $10.00 charge are the cost of three rooms and room service, which rooms were utilized as dressing rooms.

The rooms as is noted on the folio card were secured in the name of DeLucia, A. Ponzio, and T. Kelly. (A. Ponzio is the bridegroom)

$12,324.58 PAID IN CASH BY DE LUCIA

The next two entries on the folio card represented the payment for the service rendered by the hotel and an allowance of $1500. Concerning the $1500 allowance, Mikuta explained that on January 26, 1948, Tom Kelly accompanied by DeLucia, appeared at the Blackstone Hotel to settle for the cost of the wedding reception. There was a disagreement between Mikuta and Kelly in that Mikuta was of the opinion there were 600 people present, whereas Kelly indicated that only 500 were in attendance. According to Mikuta, the matter was finally taken up with Mr. Fox, the manager of the hotel, who permitted an allowance on the statement of $1500. Mikuta stated that during the entire discussion concerning this difference, DeLucia did not say one word.

After Fox had granted the allowance of $1500, DeLucia reached in his front pocket and pulled out a roll of bills and paid the entire amount of the bill, $12,324.58, in cash by $100 bills. Mikuta took this money to the cashier directly and gave DeLucia the change which he had coming.

Concerning the last two entries on the bill, the hotel explained that the bride and groom stayed at the hotel on the 24th, 25th, and 26th of January and the entries represented the cost of the room and room service to the suite occupied by the bride and groom.

Mikuta stated that the reception was a very quiet and orderly party which he termed as a family affair. He did state that the number in attendance was a little larger than normal in that usually wedding receptions held at the hotel were attended by between 100 to 250 people.

U. S. ATTORNEY KERNER WELL PLEASED WITH INVESTIGATION RE WEDDING RECEPTION

The Chicago Division advised by teletype of June 15, 1948, that U. S. Attorney Kerner informed that he was well pleased with the results of the investigation conducted at the Blackstone Hotel regarding the wedding reception. He explained that it was necessary for parolees to submit a monthly statement to their parole officer of all monies received by them during the month and all monies paid out by them during the month. According to Kerner, DeLucia did not make a statement concerning the cost of the wedding to the Parole Board.

DE LUCIA'S ALIBI CONCERNING PAYMENT FOR WEDDING RECEPTION

An article appeared in the Chicago Daily News issue of July 8, 1948, which quoted DeLucia as saying that the $16000 spent for supper and champagne for guests at the wedding reception at the Blackstone Hotel on January 24, 1948, was contributed by the guests. DeLucia, according to the article, said that it was an old Italian custom for the guests to make such payments. A photostatic copy of this article was sent to the Attorney General on July 16, 1948.

NO REQUEST FOR ADDITIONAL INVESTIGATION CONCERNING WEDDING RECEPTION

A review of Bureau files and the files of the Chicago Division fails to indicate that either the Department or the U. S. Attorney

made any request for additional investigation concerning the source of the money paid to the Blackstone Hotel to defray the cost of the wedding reception. It will be noted, in this connection, that our investigation was conducted at the specific request of the U. S. Attorney with the approval of the Department.

REQUESTS FOR INVESTIGATION BY U. S. ATTORNEY, CHICAGO, AND DEPARTMENT OF JUSTICE, WASHINGTON, D. C.

Supplemental requests were received from the U. S. Attorney and the Department for additional investigation regarding all the subjects. The following represents requests directly concerning DeLucia:

November 25, 1947 - [redacted] b3

Bureau investigation failed to establish the identity of the individuals who accompanied subjects and Bernstein on the flight from Kansas City to Chicago. The stewardess on the flight and six passengers were unable to provide any information. The reservation list for the flight was previously destroyed by the airline. Bernstein was listed, however, as having six tickets. Subjects claimed not to know the identity of any persons accompanying Bernstein. (attorney for subjects

June 9, 1948 - On this date the U. S. Attorney requested investigation to determine the facts surrounding the reception given at the Blackstone Hotel, Chicago, on January 24, 1948, following the wedding of subject DeLucia's daughter.

Investigation established that the expense for the elaborate wedding reception at the hotel was defrayed by DeLucia in the amount of over $12,000.

February 16, 1949 - The Assistant to the Attorney General Peyton Ford requested the Bureau to maintain a 24 hour physical surveillance over DeLucia, Gioe and Campagna for the purpose of determining their activities, associates, and the like for a period of one week.

The U. S. Attorney in Chicago advised that due to the apparent inactivity of the subjects, the surveillances would no longer be required.

March 2, 1951 - The Department requested additional investigation concerning subjects' flight from Kansas City to Chicago, on August 13, 1947.

The stewardess was reinterviewed and records maintained by the airline were obtained and made available to the Department.

Memorandum for Mr. Ladd

PENDING INVESTIGATION:

Information was received on April 30, 1951, that one [redacted] a former inmate of Leavenworth who was in that institution during the same time as DeLucia and Campagna, could furnish information concerning the identity of the individual who allegedly produced cash for the paroles of DeLucia and Campagna. [redacted] has been interviewed on several occasions and has advised that he believes this person was one Jimmie Ryan who had served time in Leavenworth. Attempts have been made to identify the Jimmie Ryan who was incarcerated in Leavenworth Penitentiary and photographs of all persons of this name who were at Leavenworth have been obtained for exhibition to [redacted]

[redacted] however, has refused to give further information in this case until such time as he ascertains the results of the prosecution of [redacted] which is now pending in the Federal Court in [redacted]

In addition to this, the U. S. Attorney in San Francisco has requested that no interviews be conducted with [redacted] until the completion of the [redacted]

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The trial in the narcotics case is scheduled to begin on [redacted] and it is contemplated that further interviews with [redacted] will be conducted subsequent to that date. There is no remaining investigation, and no further action concerning this can be taken until the completion of the narcotics case.

A more detailed memorandum is being prepared on the above phase of this case.

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Laughlin
Mohr
Tele. Rm.
Holloman
Gandy

This is a summary report of the investigation conducted by the FBI concerning the parole of the following individuals:

LOUIS CAMPAGNA, with aliases:
"Little New York" Campagna; Louis Campagnie; Louis Carmini; "Lefty Louie" Campagna; Louis Compagna; Louis Compagne; Lugi Compagne; Louie Cook; Morino C. Cook.

PHILIP LOUIS D'ANDREA, with aliases:
Philip D. Andrea; Phil D'Andrea; Philip LaVerne; Philip Martin.

PAUL DeLUCIA, with aliases:
Paul DeLucca; Paolo Maglio; Paul Maglio; Paul Ricca; Paul Ricci; Paul Salvi; Paul Viola; Paul Villa; "Paul the Waiter."

CHARLES GIOE, with aliases:
Charles James Joye; Charlie Joye; Charles Veltre; "Cherry Nose."

JOHN ROSELLI, with aliases:
John Rasselli; John Russelli; John F. Stewart.

This investigation did not relate to the general administration of the Parole Board as such, but was concerned with the alleged irregularities originally reported and those irregularities coming to our attention during the course of this investigation and relating to the parole of the subjects in this case.

58-2000-212

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PROBABLE QUESTIONS AND PROPOSED RESPONSES

1. Q. Has the Bureau's investigation concerning this matter uncovered the existence of any bribery or irregularity in connection with the granting of the paroles?

   A. An intensive and comprehensive investigation by the Bureau has failed to disclose any evidence indicating the existence of bribery or any other criminal irregularity in connection with the parole of subjects Campagna, D'Andrea, De Lucia, Dice, or Roselli.

2. Q. Did the Attorney General have advance knowledge of the parole of these men?

   A. The Attorney General has advised us that he did not have any advance knowledge concerning these paroles, and that he first learned of the fact that they had been paroled through reading the newspaper accounts occasioned by the paroles. Our investigation did not disclose any evidence that the Attorney General did have any advance knowledge.

3. Q. Was the FBI consulted as to the advisability of granting paroles to these individuals? Did the FBI have any advance knowledge concerning the contemplated action of the Parole Board?

   A. The FBI was not consulted on this matter nor did it have any advance knowledge concerning the issuance of the paroles. There is nothing unusual in this, however, since the question of granting parole in given cases is a matter entirely outside the purview of the FBI.

4. Q. What are your views concerning parole?

   A. I believe in the institution of parole. In theory it holds much promise. It is a medium whereby the individual who has learned his lesson and has been rehabilitated can be restored to a useful place in the community. Unfortunately, the practice does not measure up to the theory. The theory is good; the practice is disgraceful in most jurisdictions.

   Parole exists for the sole purpose of protecting society. Too often its professional espousers have placed the convenience of the individual above the protection of society, and when this takes place the theory of parole is prostituted and is doomed to failure. What is needed is a more realistic approach.

   Parole was never intended for the confirmed criminal, for the racketeer whose activities have been well-established, nor was it ever intended for the unregenerated and unrehabilitated.

4. (Continuation of Answer)

Until the exponents of parole, until every responsible official and the citizenry at large realize the responsibility of parole it will continue to be a national disgrace.

5. Q. Were the paroles granted in this case to Campagna, De Lucia, and the others consistent with or at variance with these views?

A. The question as to the advisability of granting parole in given cases is a matter outside the scope of the Bureau's authority and within the province of the U. S. Board of Parole as provided by law. The U. S. Criminal Code provides that if it shall appear to the Board of Parole that there is a reasonable probability that the applicant if released will live and remain at liberty without violating the laws, and if in the opinion of the Board such release is not incompatible with the welfare of society, then the Board of Parole may in its discretion authorize the release of the applicant on parole. (Sections 716, 723a, 723b, Title 18. See Exhibits No. 3 and No. 4).

The Director may desire to offer his personal views at this point.

6. Q. The U. S. Board of Parole was handicapped in that it did not have available for its assistance the usual Parole Reports prepared by the Bureau. Why were no Parole Reports submitted in this instance?

A. No Parole Reports were submitted by the Bureau from the period April 1, 1942 to October 3, 1945, in view of the heavy burden placed upon the Bureau's facilities during the war years. The subjects of this case were sentenced to prison on December 31, 1943 and, accordingly, no Parole Reports were prepared as to them by the FBI.

Parole Reports are normally submitted by the FBI to the Bureau of Prisons promptly after a subject is sentenced in an FBI case to imprisonment for more than one year (if the sentence is for one year or less, the prisoner is not eligible for parole). The preparation and submission of Parole Reports constitutes a service rendered by the FBI to the Bureau of Prisons and the U. S. Board of Parole.

In order that the Bureau might meet the heavy demands placed upon its facilities during the war years, occasioned by the added internal security responsibilities, it was imperative that any functions theretofore performed which were not absolutely necessary be curtailed. Accordingly, since the preparation and submission of Parole Reports fell within this category such reports were temporarily discontinued. Advice to this effect was furnished

6. (Continuation of Answer)

to Mr. James V. Bennett, Director, Bureau of Prisons, by memorandum dated March 26, 1942, at which time Mr. Bennett was also advised that investigative reports on all FBI cases involving prosecution are submitted to the U. S. Attorneys in the field and to the Department of Justice in Washington, and that, accordingly, there would be available to the Board of Parole through the files of the Department of Justice all information which would be available to the Special Agent of the FBI who in the past prepared the Parole Report.

As soon as circumstances permitted, namely, on October 3, 1945, the Bureau resumed the practice of submitting Parole Reports.

7. Q. Were the FBI investigative reports concerning the original investigation which resulted in the conviction of these subjects made available to the Department of Justice; and did the U. S. Board of Parole review these reports?

A. Copies of the FBI investigative reports were currently furnished to the Department of Justice.

Fred Rogers, Parole Board member, has advised the FBI that the Parole Board does have access to the Departmental files but to his knowledge has never reviewed these files when considering an application for parole. He stated specifically the Board did not review the Departmental files in connection with the paroles of instant subjects. Mr. Rogers advised that the Parole Board operates on the theory that the Departmental files concern the investigation and prosecution of individuals; that the Bureau of Prisons' files (which are used jointly by the Parole Board) "take up" where the Departmental files "leave off". Rogers said a man "works his way into prison" and the files used by the Parole Board will disclose if he has "worked his way out of prison".

8. Q. The nolle prosequi in the Southern District of New York on May 6, 1947, as to the mail fraud indictment previously outstanding concerning all of the subjects rendered them eligible for favorable parole consideration. Were you consulted with reference to this nolle prosequi, or did you have any advance knowledge concerning the contemplated action?

A. I was not consulted concerning the entry of the nolle prosequi in this matter. We had no advance knowledge concerning the contemplated action. Decisions as to whether or not a nolle prosequi should be entered as to an indictment in any case is a matter entirely within the province of the U. S. Attorney and the Department of Justice.

9. Q. After you learned of the nol pros did you do anything about it?

A. No. The first information we had was obtained after the court had

9. (Continuation of Answer)

entered the nol pros on May 6, 1947. By letter dated May 9, 1947, U. S. Attorney McGohey, Southern District of New York, forwarded to the Bureau's New York Office a copy of his letter to the Department advising of the entry of the nolle prosequi on May 6, 1947.

10. Q. Background and general criminal record of each of these subjects should have been a major factor in determining the propriety of their respective paroles. Can you give us any information as to the background and general criminal record of these individuals?

A. The personal history, general criminal reputation and known criminal record of each of the subjects are set forth separately in the section "Background Memoranda" which constitutes a portion of this brief.

11. Q. It has been alleged that "two prominent Chicagoans" were involved in obtaining the paroles at issue. It has been stated that Bishop Sheil, Auxiliary Bishop of the Archdiocese of Chicago, is one of the persons referred to. Is this true?

A. Our investigation failed to disclose any information indicating that Bishop Sheil was involved in any way in connection with these paroles, nor did our investigation disclose that any prominent Chicagoans were involved. Bishop Sheil when personally interviewed by representatives of the FBI very emphatically denied that he had any connection whatsoever with this matter.

12. Q. What is the essential difference between the granting of parole as distinguished from conditional release?

A. Parole - Every prisoner sentenced to more than one year or for life may be released on parole at the discretion of the U. S. Board of Parole, Washington, D. C., after serving one-third of a definite term or at least fifteen years of a life sentence if his record of conduct shows he has properly observed the rules of the institution in which he was incarcerated.

Conditional release - Conditional release is granted by the U. S. Board of Parole in connection with what is generally known as "good time." The amount of "good time" a prisoner may acquire is statutory and dependent upon the length of his sentence. The longer the sentence the more "good time" he is entitled to each month. Subjects have a legal right to be conditionally released when they have served their sentence with "good time" deducted if their conduct has been satisfactory. Such a release, however, is granted upon certain conditions by the U. S. Board of Parole and if the subject violates these a conditional release violator's warrant is issued for his arrest.

Parole is often confused with probation. Probation is granted at the discretion of the court at the time of sentence in lieu of actual confinement.

13. Q. Does the FBI conduct investigation regarding the parole and conditional release violators?

A. Yes. On the basis of Departmental policy, this Bureau conducts investigations to locate parole and conditional release violators providing the following elements are present:

1. The subject's original offense was a violation of Federal law within the investigative jurisdiction of this Bureau.

2. A warrant for the subject's arrest has been issued by the Board of Parole.

3. The Board of Parole must request our assistance in locating the subject. This is done only in those cases involving violators whose whereabouts is not known when the warrant is issued or those who flee prior to the time the warrant issued for their arrest can be served.

When a fugitive in this category is located he is either taken into custody by our Agents and released to the nearest U. S. Marshal, or in case he is found to be in the custody of the local authorities, the nearest U. S. Marshal and the U. S. Board of Parole are advised, by us, whereupon our investigation is immediately terminated. We do not follow through to determine what action is taken by the Board of Parole to revoke the parole or conditional release of an individual.

14. Q. How many of these cases are handled each year by the FBI?

A. At the present time approximately 300 cases are received annually from the Board of Parole which involve fugitive investigations on individuals originally convicted on the basis of an offense within our investigative jurisdiction.

15. Q. Does the FBI take part in the matter of locating and apprehending parole or conditional release violators who were originally convicted for an offense not within the investigative jurisdiction of the FBI?

A. The facilities of the Identification Division of the FBI are used in the matter of placing stops for the U. S. Board of Parole in order that any current arrest of a subject may be brought to their attention but no active investigation is conducted by our Agents.

DEFINITIONS PERTAINING TO PRISON TERMINOLOGY

(Obtained from "The Code of Federal Regulations of the United States of America")

Eligibility for Parole

Every person sentenced to more than one year or for life may be released on parole at the discretion of the U. S. Board of Parole, Washington, D.C., after serving one-third of a definite term or at least 15 years of a life sentence, if his record of conduct shows he has properly observed the rules of the institution in which he was incarcerated.

(The U. S. Criminal Code provides that if it shall appear to the Board of Parole that there is a reasonable probability that the applicant if released will live and remain at liberty without violating the laws, and if in the opinion of the Board such release is not incompatible with the welfare of society, then the Board of Parole may in its discretion authorize the release of the applicant on parole. - Sections 716, 723a, 723b, Title 18.)

DEFINITIONS

Life Imprisonment

A prisoner who receives a sentence for the term of his natural life is eligible for parole consideration after he has served not less than 15 years.

Prison Parole Officer

A Parole Officer is appointed by the Board of Parole for every U. S. penitentiary and prison and he has authority and performs such duties as he may be directed to do under the control of the Board of Parole.

Application for Parole by the Prisoner

Prisoners who desire to apply for parole are required to use a form prepared by the Board. These forms are available at each prison and are distributed to those persons who are eligible.

The warden or superintendent of an institution may also refer cases for parole to the Board.

Duties of the Prison Parole Officer

At or near the expiration of one-third of the maximum sentence, which is the date of eligibility for parole consideration, the Parole Officer at each institution is required to

provide the prisoner with the proper application form to be prepared and submitted to the Board. The Parole Officer assists the prisoner in preparing the application. He also is responsible for the preparation of dockets which list the names of all persons who are eligible for parole at a given date. He also aids the paroled prisoners in securing employment.

Hearings at Institutions

Individual members of the Board visit each Federal institution regularly. They hold hearings, assemble the facts and prepare recommendations on cases in accordance with the established policy. They submit their recommendations to the Board for final action which is taken in Washington.

These hearings are restricted. The prisoners must appear in person and may not be represented by counsel or by any other person. No interviews are granted to a prisoner whose his application is on the docket and set for hearing. These meetings are closed to the public. The records are confidential; they are not open to the prisoner or any other person, but the Parole Board reserves the right to make public the name of any person who receives favorable action by the Parole Board, that is, one who is granted his parole. The hearings before the Board at the institution result in the prisoner meeting with the Board member or members. His statements and answers to questions are considered in the light of the entire record.

Additional Information

Attorneys or others who wish to present oral or written briefs or letters of any nature pertinent to the case may do so by appointment at the Board Headquarters in Washington. This person has to disclose his interest in the case before he appears. No oral arguments are allowed until the prisoner has been heard at the institution. Where an oral presentation is allowed, no subsequent interview is allowed except by special order of the Board.

Reports Taken into Consideration by the Parole Board

The prisoner's application is considered in the light of his case summary and all reports which have been submitted by any agency or service which participated in developing information concerning his case. They include the report of the prosecutor's office, the Federal Bureau of Investigation, the fingerprint history, a report from the court, and a report from each prison wherein the applicant may have been confined. In addition, reports from the institution's medical officer, psychiatrist, psychoanalyst, superintendent of industries, parole officer, all correspondence, all records of social agency contacts, and other records are reviewed.

Parole Plan Referred to as the Term and Condition of Parole

The Parole Board has the discretion to authorize the release of the prisoner on parole. This allows the prisoner to go outside of the prison and, in the discretion of the Board, to return to his home. The Board sets up its own terms and conditions. These include personal reports from the parolee as the Board may prescribe; to fix the limits of his residence which may later be changed at the discretion of the Board. It may advance, postpone, or deny a parole; it may modify conditions of parole.

The Parole Plan is developed on the basis of the social needs and his family. The parolee has to satisfy the Board of his willingness to assume his lawful responsibilities and to show that he is competent to carry them out.

Local Advisor

A local advisor is necessary in each case. He is a responsible citizen in the community in which the parolee will reside. He cannot be a relative of the prisoner closer than second degree blood relationship. These facts have to be certified

by a local county, state, or federal official, except if the advisor is recommended by an accredited social service agency or by the U. S. Probation Officer. In special cases a parole advisor may act for more than one parolee at the same time.

Satisfactory Evidence

This must be furnished to the Board to establish a legitimate employment upon release. If it appears to the Board that the parolee is not fit for employment or that his fitness will be waived for public interest reasons, the fitness requirement may be suspended.

If the parolee is ill he must assure the Board that he will be able to receive proper medical treatment.

Financial Responsibilities

The parolee must establish his ability to take care of himself properly in the event he is returned to his own community. If he can't do this, he will be returned to the place where he was convicted.

Verification of Parole Plan

Insofar as it is practical, an investigation is made of each plan for release. This is usually done by the Probation Officer.

Parole Reports

No parole reports were submitted by the Bureau from the period April 1, 1942, to October 3, 1945, in view of the heavy burden placed upon the Bureau's facilities during the war years. The subjects of this case were sentenced to prison on December 31, 1943, and, accordingly, no parole reports were prepared as to them by the FBI.

Parole reports prepared by the Bureau contain an outline of the offense for which the prisoner has been convicted, a statement of any aggravating or mitigating circumstances and a history of the defendant, including his complete criminal record and information as to whether the convict is wanted by any other law enforcement agency.

Parole

Parole is a privilege, not a right, and its granting rests in the discretion of the Board. Parole, therefore, is granted only when in the judgment of the Board a prisoner is competent and anxious to readjust himself socially and when the factors which will affect him and his family at his release guarantee adequate public security. These factors vary in every case. The Board evaluates the factors involved in each case and acts as its judgment indicates to grant or deny release on parole.

Conditional Release

Conditional release is granted by the U. S. Board of Parole in connection with what is generally known as "good time." The amount of "good time" a prisoner may acquire is statutory and dependent upon the length of his sentence. The longer the sentence the more "good time" he is entitled to each month. Subjects have a legal right to be conditionally released when they have served their sentence with "good time" deducted if their conduct has been satisfactory. Such a release, however, is granted upon certain conditions by the U. S. Board of Parole and if the subject violates these a conditional release violator's warrant is issued for his arrest.

Probation

Parole is often confused with probation. Probation is granted at the discretion of the court at the time of sentence in lieu of actual confinement.

Investigations re Parole and Conditional Released Violators

These investigations are conducted if all three of the following factors are present:

1. If the subject's original offense was a violation of Federal law within the investigative jurisdiction of this Bureau.

2. If a warrant for the subject's arrest has been issued by the Board of Parole.

3. If the Board of Parole requests our assistance in locating the subject.

This is done only in those cases involving violators whose whereabouts are not known when the warrant is issued or those who flee prior to the time the warrant issued for their arrest can be served.

When a fugitive in this category is located he is either taken into custody by our Agents and released to the nearest U. S. Marshal, or in case he is found to be in the custody of the local authorities, the nearest U. S. Marshal and the U. S. Board of Parole are advised, by us, whereupon our investigation is immediately terminated. We do not follow through to determine what action is taken by the Board of Parole to revoke the parole or conditional release of an individual.

Punitive Segregation

This is punishment imposed by the disciplinary board of a Federal penal institution as a result of which the prisoner is segregated in a cell with practically no privileges. Under such circumstances he has no contact with other prison inmates. Such punishment results from a breach of one or more prison rules. It is considered rather severe punishment.

Second Grade

A person is referred to in the status of "second grade" when he is a prisoner has been deprived of some of the privileges afforded model prisoners, and it usually results from a breach of some minor prison regulation. The grades are classified as first, second and third, after which punishment in the nature of segregation is given.

SYNOPSIS

SYNOPSIS OF INVESTIGATION CONDUCTED BY FBI RE PAROLE OF LOUIS CAMPAGNA, PHILIP D'ANDREA, PAUL De LUCIA, CHARLES GIOE AND JOHN ROSELLI.

BASIS FOR CURRENT INVESTIGATION BY FBI

By memorandum dated September 15, 1947, Attorney General Tom C. Clark* advised that he had been informed by Congressman Fred Busbey* (R.-Ill.) that there was indication of bribery in connection with the recent parole of Louis Campagna*, Charles Gioe*, Philip Louis D'Andrea*, and Paul De Lucia* (more commonly known as Paul Ricca). The Attorney General requested an immediate and full investigation of this allegation. (EXHIBIT 1)

The Attorney General on the same date telephoned the Director and reiterated his request for a full investigation, stating that the Department would prosecute if the allegation was substantiated. (EXHIBIT 2)

Campagna, Gioe, D'Andrea, De Lucia (Ricca), and John Roselli were sentenced in the U. S. District Court for the Southern District of New York to ten years in a Federal penitentiary and fined $10,000 on December 31, 1943, for violation of Section 420a, Title 18, U. S. Code, the Anti-Racketeering Statute, which was passed June 18, 1934, and made it an offense for anyone to interfere with trade and commerce by violence, threats, et cetera. (EXHIBIT 3) This Act was amended on July 3, 1946, to generally make it a felony to interfere with commerce by robbery or extortion.

All five of these subjects began serving their sentences on March 8, 1944. All five were released on parole on August 13, 1947, by unanimous decision of the U. S. Board of Parole, which was then composed of the following members: Judge T. Webber Wilson*, Chairman, Judge Fred S. Rogers*, and Judge B. J. Monkiewicz*. Wilson subsequently died on January 30, 1948. Accordingly, at the time of their release on August 13, 1947, the subjects had each served a total of 3 years, 5 months, and 5 days, or 1 month and 5 days more than one-third of their respective sentences.

The circumstances surrounding Roselli's parole are, therefore, included in the investigation, although he was not specifically mentioned to the Attorney General by Congressman Busbey, or by the Attorney General to the Bureau.

(*See Background Memorandum)

GRANTING OF PAROLES AT ISSUE (Pages 5 - 14)

As provided by law, granting of parole is a matter within the discretion of the U. S. Board of Parole. Approval of the Attorney General is not necessary and as a matter of practice the Attorney General is not consulted by the Parole Board in connection with individual cases. A prisoner will not be considered for parole if any indictment is outstanding against him. In this case, in addition to the indictment and conviction under the Anti-Racketeering Act, all five subjects were indicted in the Southern District of New York on March 18, 1943, for mail fraud and conspiracy. This indictment remained outstanding and acted as a barrier to their parole until May 6, 1947, when it was nol-prossed, shortly before they first became eligible for parole on July 7, 1947.

By memorandum to the Attorney General dated July 9, 1946, transmitted by undated cover letter, Boris Kostelanetz,* prosecuting attorney in the Anti-Racketeering case, recommended in view of his imminent resignation from the Department, that a nol-pros be filed as to the mail fraud indictment after April 30, 1947, since on that date two years would have elapsed since final judgment in the Anti-Racketeering case, and petition for certiorari to the Supreme Court would be barred. Kostelanetz stated no useful purpose would be served in keeping the mail fraud indictment alive after that date and that expenses to the Government of trial on this indictment would not be warranted. (Exhibit 7)
After approval by the Attorney General and on written instructions from Douglas McGregor, The Assistant to the Attorney General, a nol-pros was entered on May 6, 1947. (Exhibit 10)

Francis Maritote* and Louis Kaufman,* who were co-defendants with instant subjects in the Anti-Racketeering case and who were sentenced to serve 10 and 7 years, respectively, are still incarcerated. Maritote did not begin service of his sentence until July 7, 1945, being on bail pending appeal until that date. Accordingly, he will not be eligible for parole until May 16, 1948. Kaufman entered upon service of his 7-year sentence on May 15, 1945, being on bail pending appeal until that date. He became eligible for parole on September 14, 1947. His application in this respect is currently pending before the Parole Board.

No Parole Reports were submitted by the Bureau as to the subjects in this case since at the time of their conviction the Bureau had suspended submission of Parole Reports (from the period April 1, 1942, to October 3, 1945) in view of the heavy burden placed upon the Bureau's facilities during the war years.

The Bureau was not consulted nor did it have any advance knowledge concerning either the entry of the nol-pros or the granting of the paroles. The entry of a nol-pros and the granting of a parole are matters entirely outside the scope of the FBI's authority and within the jurisdiction of the Department of Justice and the U. S. Board of Parole.

*(see background memorandum)

INVESTIGATION RE ORIGINAL ALLEGATIONS OF BRIBERY IN GRANTING OF PAROLES (Pages 15 - 25)

Congressman Busbey* upon interview advised he had no firsthand knowledge concerning this matter and the sole source of his information was James Doherty, Chicago Tribune reporter.

JAMES DOHERTY,* upon interview by Bureau Agents, furnished no specific facts to substantiate the general allegation of bribery, but did furnish considerable vague and indefinite information obtained by him from anonymous or dubious sources. In the main he advised:

That during the 1946 elections the Italian population on the west Side of Chicago was terrorized so that they would vote Democratic in order that a political machine subservient to the interests of the subjects might ultimately effect the release of the subjects on parole.

That an anonymous source had declared a quarter of a million dollars had been paid to effect instant paroles and that such a sum was paid to Paul Dillon, a St. Louis attorney, whom Doherty described as a lawyer who represented racketeers and who had access to the White House as a friend and confidant of the President.

That an anonymous caller had stated Freddy Morelli, Democratic Committeeman, 1st Ward Chicago, and a priest were in on the deal.

That he was informed by a friend, whose identity he would not disclose, that an Italian barber named Scelsse who is employed in the Chicago Assessor's Office, had stated that Joe Bulger* (Joseph Invurgio Bulger, Chicago Attorney) was involved in handling the money in connection with the paroles.

That Bishop Sheil of Chicago and Steve Healy, Chicago hotel owner, were involved.

That he had received one or two anonymous communications concerning this matter which he turned over to Congressman Busbey and Hoffman.

Investigation failed to disclose any evidence of truth as to any of these assertions. Persons alleged by Doherty as the source for certain of his statements denied having made the statements attributed to them, or it was determined that they in turn had predicated their remarks upon vague rumor. Both Congressmen Busbey and Hoffman denied they received any anonymous communications from Doherty. Attorney Bulger denied participation in or any knowledge concerning the securing of instant paroles.

*(see background memorandum)

INTERVIEW OF PAROLE BOARD MEMBERS (Pages 26 - 30)

The three members of the Parole Board who unanimously approved the parole of the subjects were T. Webber Wilson*, Chairman, (who subsequently resigned and was replaced by Daniel Lyons), Fred S. Rogers*, and B. J. Monkiewicz*. Upon interview they denied that there was anything irregular in the parole proceedings and stated they were not subjected to any pressure. They advised they predicated their affirmative action on the fact that Browne* and Bioff*, the principal subjects in the original case, had been released after serving approximately one-third of their sentences; [redacted] b7D that four of the subjects had no prior criminal record and one had not been involved with the law in twenty years; that all subjects had good conduct records while in prison; that the mail fraud indictment had been nol-prossed; and that recommendations had been received from Catholic priests and other prominent citizens in Chicago. (See pages 72 to 81)

Judge Rogers stated that he considered a letter written to the Board in June of 1947 by Judge Bright**(who originally sentenced the subjects) concerning D'Andrea to be applicable to all subjects. In this letter Judge Bright did not express opposition to D'Andrea's parole. (Exhibit 14)

Judge Wilson interviewed Campagna, Delucia and Gioe in connection with their applications for parole in July, 1947, at Leavenworth Penitentiary. In the same month Judge Rogers interviewed Roselli at Terre Haute, Indiana, and D'Andrea at Springfield, Missouri. All cases were continued to Washington where after joint consideration they approved the paroles of all the subjects, their action being concurred in by Judge Monkiewicz. Rogers advised that Attorney Paul Dillon of St. Louis appeared before the Board on behalf of all the subjects and Attorney Emanuel Stern of North Dakota on behalf of D'Andrea. Wilson and Rogers stated these attorneys merely made the usual routine arguments on behalf of their clients and neither exerted or endeavored to exert any undue influence.

Judge Wilson resigned as Chairman of the Board on September 1, 1947. His resignation had been planned and expressed at least a year previously. Wilson returned to his home town of Coldwater, Mississippi, after his resignation and underwent medical treatment there and in Memphis, Tennessee, for cancer. He died as a result of this illness on January 30, 1948.

ATTITUDE OF PROSECUTING ATTORNEY AND SENTENCING JUDGE (Pages 31 - 34)

Boris Kostelanetz*, main prosecuting attorney, opposed parole as to all of the subjects except Gioe. He so expressed himself in report to the Parole Board in August, 1945. Kostelanetz advanced "No comment" as to the parole of subject Gioe. He characterized all of the subjects as a menace to society. (Exhibit 13)

Judge John Bright*, who presided at the trial of the subjects, expressed opposition to the parole of all the subjects in the same report to the Parole

(*See Background Memorandum)
(** Died March 24, 1948)

Board in August, 1945. Judge Bright stated he knew of no way to suppress the criminal activities engaged in by the subjects other than by severe punishment. (Exhibit 13)

In June, 1947, Judge Bright wrote a letter to the Parole Board concerning subject D'Andrea in response to inquiry by the Board. While in this letter the Judge did not recommend parole for D'Andrea, he did not express opposition to it. The letter contained language tending to minimize D'Andrea's participation in the original offense. Upon interview Judge Bright advised he had not waivered from his original position of opposition to the paroles and that in the indicated letter to the Parole Board he confined his comments to D'Andrea. (Exhibit 14)

TRANSFER AND CONDUCT OF PRISONERS WHILE IN FEDERAL CUSTODY (Pages 35 - 45)

Campagna, Cioe, D'Andrea, and Balucia were transferred from Atlanta to Leavenworth. D'Andrea was subsequently transferred to Springfield, Missouri. Roselli was transferred from Atlanta to Terre Haute, Indiana. There is no evidence of irregularity in connection with these transfers. However, several attorneys contacted the Bureau of Prisons in an effort to effect these transfers. There is also indication that Departmental officials expressed an interest in having the transfers made. (Exhibit 16)

The Bureau of Prisons' files on the subjects contain information generally substantiating the assertions of the Parole Board members concerning the good conduct record of the subjects with the exception of a few minor infractions. However, in progress report prepared in 1943 there appears information conflicting with other records reflecting good conduct in that general statements are made indicating that the subjects constituted a hazard to proper prison administration. (Exhibit 17)

ATTORNEYS ACTIVE ON BEHALF OF SUBJECTS (Pages 45 - 63)

There were many attorneys active on behalf of the subjects, particularly Paul Dillon* of St. Louis and Emanuel Stern* of Fargo, North Dakota. Dillon is the attorney anonymously referred to as having handled a quarter of a million dollar payment to secure the pardons. He is also described as a personal friend of the President and former political associate.

It is known that Dillon contacted the Bureau of Prisons in an effort to arrange for the transfer of subjects and that he also represented them before the Board of Parole in connection with the parole of the subjects. Dillon refused to discuss instant matter with Bureau agents. However, in his testimony before the Congressional Subcommittee at Chicago on September 26, 1947, he stated that he had interested himself on behalf of subjects at the request of Edward Brady*, alias "Putty Nose," former member of the Missouri State Legislature, now deceased. Charlotte Campagna*, wife of subject Campagna, has also stated that upon reference from Brady, a personal friend of the family, she secured Dillon's services on behalf of her husband and the other subjects in connection with their parole.

Dillon maintained at the Congressional Hearing that he has received no fee for his efforts and that he looks for payment to Eugene Bernstein*, Chicago attorney for Campagna. Dillon is known to have been successful in effecting commutation of sentence and parole for other prisoners in the past.

No evidence was developed by FBI investigation indicating that Dillon handled or otherwise participated in a pay-off to secure instant pardons.

Emanuel Stern* was active on behalf of D'Andrea. He was apparently cooperative when interviewed by Bureau agents. He was hired by D'Andrea's relatives on reference from Samuel Shapiro of Chicago, D'Andrea's family attorney. He received a fee of $7,000 from D'Andrea through Attorney Shapiro. This has been verified through appropriate bank records. Advice received from Stern concerning his activities is consistent with information obtained from relatives of D'Andrea and Attorney Shapiro.

The other attorneys active on behalf of defendants in this case have been interviewed. No evidence was developed to indicate that

(*See background memorandum)

any of them were criminally involved in obtaining instant paroles.

VISITORS TO SUBJECTS WHILE INCARCERATED (Pages 69 - 71)

Visitors to the subjects while they were confined in the penitentiary consisted in the main of their attorneys and close relatives. Those visitors not falling within this category were interviewed with negative results. The only significant information developed as to visitors is that it has been definitely determined Tony Accardo*, reputed Chicago hoodlum, on ten occasions visited Campagna and DeLucia at Leavenworth Penitentiary, representing himself as Joseph Dalger, Chicago attorney. He signed the visitors' record in Dalger's name and was accompanied on these visits by Eugene Bernstein, Chicago attorney.
(EXHIBIT 29)

Subjects Campagna and DeLucia, as well as Bernstein, admitted that Accardo made these visits. They deny, however, they knew he used Dalger's name. They contend the purpose of Accardo's visits was to assist Bernstein in discussing personal income tax matters with DeLucia. Dalger at first refused to talk to Bureau agents, but subsequently advised he referred Accardo to Bernstein as an individual familiar with DeLucia's income tax situation who could assist in these interviews. He denied he authorized Accardo to use his name or had any knowledge his name was so used. Accardo refused to talk to Bureau agents.

INTERVIEWS WITH PAROLE ADVISERS, PROSECUTIVE EMPLOYEES AND PERSONS WHO INTERESTED THEMSELVES IN THE SUBJECTS' PAROLES (Pages 72 - 81)

The numerous persons involved in this category were all interviewed and all uniformly denied that they participated in or had any knowledge of any irregularity in the granting of their paroles. Certain of these persons, however, do not themselves possess an unsullied reputation, having been arrested in the past in connection with criminal offenses, having been associated with known criminals, or being known to the police as engaged in illegal activities.

INTERVIEWS WITH THE SUBJECTS (Pages 82 - 84)

All of the subjects were interviewed and they denied having any knowledge prior to their release that Paul Dillon was interceding for them in connection with the securing of their parole. All subjects emphatically denied that they had any knowledge of or any participation in any irregularity in connection with the obtaining of their paroles.

(* See background memorandum)

INTERVIEWS WITH BUREAU OF PRISONS OFFICIALS

All Bureau of Prisons officials who had any concern with the subjects during their incarceration were interviewed by Bureau agents and they all uniformly denied having any knowledge whatsoever concerning any irregularity in connection with the obtaining of the paroles in this case.

ADDITIONAL SPECIFIC ALLEGATIONS DEVELOPED DURING INVESTIGATION

GEORGE GLENN WHITNEY, an inmate at Leavenworth Penitentiary, at his request was interviewed by Bureau agents during the course of the investigation at Leavenworth. Whitney alleged that subject Gioe about three months prior to parole advised him that Gioe would get his parole at a cost of $300,000 of which $100,000 was to be paid to Charles Fisher, probation officer, Chicago, and the balance to Wilson, Chairman, Parole Board. Pay-off was to be made through George Bieber, Chicago attorney. The money was to be raised by Jack Guzik, reputed Czar of Chicago gambling. Whitney has volunteered information to the Bureau in the past and has been found totally unreliable. His information in this case was furnished after the extensive publicity attendant upon parole subjects.

Bieber, Fisher, Guzik, and Gioe have all been interviewed concerning this allegation with completely negative results.

[redacted]

Referral/Consult

At the time of their original arrests in 1943, the subjects were released on bond in the amount of $50,000, each, on each of the two indictments outstanding against them, namely, the Anti-Racketeering and Mail Fraud indictments. Thirty-six individuals contributed collateral, for these bonds, of approximately $350,000. These persons were interviewed. Two of them, namely, Willie Heeney and Walter Thomas Novak, tavern owners, admitted contributing through Joe Corngold *, reputed gambling czar of Cicero, Illinois, $10,000 each toward funds used in settling the income tax claim against Campagna. Corngold refused to discuss the matter. Another contributor to the bail bond, Joe Fusco, also declined to discuss this matter, though he admitted he may have contributed to the income tax funds. All of these individuals denied having any information concerning the manner in which the subjects obtained their paroles.

ALLEGATIONS OF "SPECIAL HANDLING" BY PAROLE OFFICIALS (Pages 96 - 104)

The Board of Parole approved instant paroles on August 7, 1947, to be effective August 13, 1947. In order to meet effective date of release the teletype, telegraph, and telephone were utilized by parole officials to expedite the necessary clearance of parole plans. Walter F. Urich *, Parole Executive, U. S. Board of Parole, and prison officials, Leavenworth Penitentiary, maintained this to be normal procedure. Probation officers, Chicago, Illinois, described such expeditious handling as unusual. Comparison of the treatment accorded instant paroles with the cases of other prospective paroles considered by the Parole Board during the same period of time indicates paroles of subjects were handled in much more expeditious fashion.

ALLEGATIONS REGARDING POSTMASTER GENERAL HANNEGAN (Pages 105 - 107)

Charles Fisuton, Hearst Bureau, Washington, D. C., represented that Frank Costello, New York gangster, had paid a sum of money to Postmaster General Robert Hannegan * in connection with the parole of the subjects; that Neil Helm, a politician from Missouri, had handled the money; that source of his information was Louis Steinmark of the Chicago Herald American, and that he had been unable to develop any information whatsoever concerning this allegation.

Louis Steinmark, managing editor, Chicago Herald American, advised that he heard such rumors mentioned but did not recall the source of the rumors. Mr. Hannegan, Neil Helm and Frank Costello * emphatically denied the allegations made and stated they had no knowledge whatsoever concerning the parole of the subjects.

ALLEGED MEETING AT [illegible] SPRINGS, MICHIGAN (Pages 109 - 110)

Maury Hughes, Dallas Attorney who had undertaken to assist subjects in having the mail fraud indictments against them nol-prossed and had enlisted the aid of Nash Adams, Dallas attorney and former attorney in the Department of Justice, in this respect, advised that he was called into the case by a Chicago

* (See background memorandum)

attorney whose name he would not disclose but to whom he subsequently referred as the "head of the Chicago Bar". Hughes stated in substance that he had merely made routine efforts on behalf of his clients. He stated, however, that on October 5, 1947, while at the Chez Paree, nightclub in Chicago, with a group of men whose names he would not divulge, he overheard a conversation to the effect that "all of the sponsors (for the parolees) were hatched up by the Republicans at Ligonier, Indiana"; that there had been a meeting at Berrien Springs, Michigan, by Governor Green of Illinois, Harry Ash, Superintendent of Crime Prevention, State of Illinois, and a Mr. Maxwell of Ligonier, Indiana; that John T. Dempsey, Public Administrator for the State of Illinois, was either present or was telephoned, and that on this occasion Governor Green instructed Ash to act as Parole Advisor in connection with the paroles of the subjects. According to Hughes, in the conversation overheard by him, Tony Accardo was the "go-between" between Republican committeemen and the subjects at Leavenworth since Accardo had access to Leavenworth. Hughes maintained he heard no additional information and despite repeated questioning refused to identify the unknown persons mentioned above.

Investigation failed to develop any substantiating information concerning this allegation. Governor Green described the allegation as "utterly ridiculous and without any truth whatsoever." Dempsey was interviewed in connection with this allegation as was Charlotte Campagna, wife of subject Campagna, who has a farm residence at Berrien Springs. Both denied any knowledge concerning it. Erwin N. Roemer, President of the Chicago Bar Association, denied any connection with this case or any acquaintance with Hughes. Investigation at Ligonier was negative.

ALLEGATIONS OF JAMES PATRICK TESTA, aka MICKEY NORMAN (Pages 111 - 112)

James Patrick Testa, St. Louis, Missouri, was reported to the Bureau on October 8, 1947, as having boasted in a tavern that he was instrumental in obtaining the paroles of the subjects but had never been paid for his efforts. Testa is the Recording Secretary of Local No. 73, United Brotherhood of Carpenter Journeymen of America.

In a signed statement furnished to Bureau Agents, Testa stated that Edward Brady *, alias "Putty Nose" (mentioned above and now deceased) was associated with him in the operation of a restaurant in St. Louis in September, 1945, and that on several occasions Brady obtained funds from him totaling approximately $525.00 for the express purpose of defraying travel expenses to Washington of Paul Dillon, St. Louis Attorney. Dillon was to "see Truman" in an effort to assist Brady in having one Mike O'Neil (Michael J. O'Neil, employee in office of the Collector of Internal Revenue, St. Louis, Missouri) appointed Chairman of the Parole Board with a view towards thereafter securing release from the penitentiary of ten or twelve inmates. Dillon allegedly saw both

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* (See background memorandum)

the President and Bob Hannegan. Dillon had listed on a piece of paper the names of the prisoners to be released, including those of Campagna, Gioe and D'Andrea. This list was also a "Price list" which set forth the amount to be paid for the release of each. Testa was present in Dillon's law office when Dillon made a copy of this list. Testa advised that according to Dillon this deal never materialized. O'Neil denied he had any knowledge of the Testa story. O'Neil was never appointed to the U. S. Board of Parole.

Brady while a member of the Missouri State Legislature in 1939 was arrested with John Nick*, on charges of 3rd degree robbery growing out of his alleged collaboration with Nick in extorting money from movie owners in St. Louis. He was discharged March 4, 1940. He died in St. Louis on October 2, 1945.

ALLEGATION RE SENATOR HARRY F. BYRD (D. - VA.) (Pages 113 - 114)

A confidential informant of the Bureau's New York Office [redacted] advised that in February, 1944, he was present at the Westwood Supper Club, Richmond, Virginia, [redacted] The informant maintains he overheard Speranza tell Mrs. DeLucia not to worry since Senator Byrd was willing to assist in securing parole for DeLucia. Upon authority of the Attorney General, Senator Byrd was interviewed. He denied being acquainted with Speranza or at any time having been present at the Westwood Club. He said he knew nothing concerning the subjects and had been approached by no one on their behalf. Speranza denied knowing Senator Byrd or Mrs. DeLucia. He also denied having interceded with Senator Byrd or anyone else on behalf of the subjects. Mrs. DeLucia likewise denied knowing Speranza. She said she had never been either at the Westwood Supper Club or in that vicinity. The [redacted], upon interview, denied being at any such gathering as described by the informant, denied knowing or having seen Senator Byrd at the Westwood Supper Club and also denied possessing any information concerning the granting of the paroles in this case.

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MISCELLANEOUS (Pages 115 - 126)

During the course of instant investigation numerous other interviews were conducted with negative results with persons who in any way have been in a position to furnish information concerning the alleged irregularities in connection with this case.

ADDITIONAL INVESTIGATION REQUESTED BY U. S. ATTORNEY, CHICAGO (Pages 138 - 143)

On November 19, 1947, the U. S. Attorney at Chicago advised that he was convening a Grand Jury to which evidence in this case was to be presented. The

*(See background memorandum)

U. S. Attorney thereafter requested that certain specific investigation be conducted. The Attorney General advised the Bureau to conduct this investigation. The following portion of this synopsis deals with the investigation conducted pursuant to the request of the U. S. Attorney.

ASSOCIATION OF BERNSTEIN AND ACCARDO (Pages 144 - 145)

Investigation failed to identify Accardo as being a passenger with Bernstein or any airplane flights made by him between Kansas City and Chicago. There was no indication Accardo ever visited Bernstein's office after regular office hours. Bernstein was, however, in telephonic contact with the residence of Accardo.

VISIT TO CHICAGO BY PAUL DILLON (Pages 145 - 146)

St. Louis Attorney Paul Dillon was in Chicago staying at the Sheraton Hotel on August 13, 1947. A telephone call was made from the hotel room occupied by a Frank Murphy, whose identity has not been established but who was apparently associated with Bernstein, to the Sheraton Hotel in Chicago. It could not be ascertained, however, to whom the call was made at the Sheraton Hotel.

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PERSONS CALLED BY TONY RICCI (Page 147)

The list of telephone numbers in Chicago called by Tony Ricci, reputed New York racketeer, were identified. None of these individuals were pertinent to this investigation with the exception of one telephone call which was made to the residence of Subject DeLucia.

BANK ACCOUNTS OF T. WEBBER WILSON AND CHARLES W. FISHER (Page 147)

It was determined that Charles W. Fisher, Chief U. S. Probation Officer at Chicago maintains no bank account there. A bank account in his wife's name approximated $1,000 and reflected no unusual activity. Wilson's bank account was previously examined.

INDIVIDUALS PAROLED AT THE SAME TIME AS SUBJECTS (Pages 147 - 148)

The individuals who were paroled from Leavenworth Penitentiary on the same date as subjects were identified. These individuals did not accompany subjects on leaving the penitentiary.

O.K. MOTOR SERVICE (Page 148)

Investigation of the O.K. Motor Service, Inc. failed to reflect any connection with this organization by Subject Charles Gioe or Anthony Accardo.

LOCATION OF WITNESSES FOR GRAND JURY (Pages 148 - 149)

Investigation to locate witnesses whose presence before the Grand Jury was desired by the U. S. Attorney and who could not be located by the U. S. Marshal was conducted. All these witnesses were located.

COMPLAINT RECEIVED BY UNITED STATES ATTORNEY RE WARDEN HUNTER (Pages 150 - 151)

Investigation failed to establish any basis for a complaint received by the U. S. Attorney to the effect that Warden Hunter, Leavenworth Penitentiary, visited extensively with the subjects of this case or that his secretary made unexplained visits to Chicago prior to the time the paroles in this case were granted.

BACKGROUND AND ACTIVITIES OF FRANCIS J. CURRY (Pages 152 - 156)

Investigation with reference to Francis Jerome Curry established that he had previously been active in the slot machine business in Will County, Illinois, and that certain of his slot machines were still in operation. It was indicated by numerous people in Will County that Francis J. Curry had close political connections and was regarded as a political power there.

INTERVIEW WITH MRS. HELEN R. BRADY (Page 156)

Mrs. Helen R. Brady, widow of Edward M. "Putty Nose" Brady, denied she had ever received any money from Paul Dillon or his associates, and that the newspaper article to this effect was not true.

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EFFORTS TO INTIMIDATE POSSIBLE GOVERNMENT WITNESS (Page 158 - 159)

Tony Flores, a waiter at the Muehlebach Hotel, advised he was approached by representatives of the hotel employees union who told him not to identify any photographs shown him by the FBI. Flores had been interviewed prior to the time he was approached by the union officer and had not identified any photographs. More recent photographs of subjects in this case and other individuals who testified before the Grand Jury were later shown to Flores and he still could not make an identification. The U. S. Attorney at Chicago indicated he would probably subpoena Flores for testimony before the Grand Jury.

ACTIVITIES AT LEAVENWORTH PENITENTIARY ON MORNING OF AUGUST 13, 1947 (Page 159)

Interviews with other prisoners who were released from Leavenworth Penitentiary on August 13, 1947, established that Campagna, DeLucia and Gioe were at the penitentiary on the morning of August 13, 1947, and were released on that date.

RECEPTION GIVEN BY SUBJECT DeLUCIA ON JANUARY 24, 1948 (Page 160)

The records of the Blackstone Hotel, Chicago, and interviews with officials of the hotel disclosed that the hotel charges for the banquet given January 24, 1948, following the wedding of DeLucia's daughter were paid for by DeLucia in cash. The hotel charges in the amount of $12,324.58 did not include cost of champagne, entertainment and flowers for the occasion.

EFFORTS TO IDENTIFY "MIKE RYAN" (Page 160 - 164)

Maury Hughes, the Dallas attorney who testified before the Congressional Committee that he received a $15,000 legal fee for his services in this case from a "Mike Ryan", whose identity is not known, refused to be reinterviewed on June 16, 1948. According to information furnished by Clyde Hood, Assistant U. S. Attorney, and Howard Dailey, a private attorney at Dallas, they were not aware of the purpose of the trip to Chicago in April, 1946, by Hughes. Earl Welch and Ned Bakes, promoters from Los Angeles and Chicago, respectively, admitted being friends of Maury Hughes, but could furnish no information of value relative to this case. Fortune Gallo, head of the San Carlo Opera Company, New York City, advised he was a friend of Hughes, Dailey and Welch, but he knew nothing relative to granting of paroles in this case. None of the persons interviewed could supply any information relative to the identity of "Mike Ryan." On June 25, 1948, Hughes denied that Ned Bakes was "Mike Ryan."

PAYMENT OF $14,000 TO MAURY HUGHES (Pages 164 - 166)

Investigation established that Maury Hughes was a guest at the Chatham Hotel, New York City on May 6, 1947, the date he received $14,000 for his legal services in this case. Hughes occupied a suite in the Chatham Hotel rented on a regular basis by the Consolidated Television Company, which was formerly known as

the Emby Distributors. This concern paid the bill for Hughes' stay at the hotel. The records of the Corn Exchange Bank, Park Avenue and 52nd Street, New York City, disclosed that Hughes had purchased a certificate of deposit there on May 6, 1947, in the amount of $14,000. Employees handling the transaction advised that Hughes was alone when he purchased the certificate of deposit. He paid for it with old money of small denomination and told the assistant manager of the bank that he had won it on the horses. No information as to the identity of "Mike Ryan" or a Mr. Siebers was ascertained at the bank or the Chatham Hotel. b3

ACTION TAKEN BY U. S. BOARD OF PAROLE (Page 168)

Subject DeLucia was arrested at his residence on June 16, 1948, by the U. S. Marshal on the basis of a parole violator's warrant issued by the U. S. Board of Parole. He was released the same date pursuant to a writ of habeas corpus. After several hearings the USDC, Chicago granted the writ and ordered DeLucia released. An appeal to this decision is pending.

Subjects Campagna and Gioe were taken into custody on parole violator's warrants on July 23, 1948. A writ of habeas corpus by Subject Campagna was denied by the U. S. District Court, Chicago. Gioe did not have the opportunity of filing such a writ. Both were transported to the U. S. Penitentiary at Atlanta. Writs of habeas corpus were filed in behalf of Campagna and Gioe in the USDC, Atlanta, Georgia on September 2, 1948. The court sustained these writs on December 4, 1948, and ordered Campagna and Gioe released. An appeal to this decision is pending.

Roselli was arrested on a Parole Violator warrant July 27, 1948. A writ of habeas corpus was filed in the USDC, Los Angeles in behalf of Roselli on the same date. The court ordered that Roselli remain in jail pending a hearing on this writ. On September 7, 1948, Roselli's petition was denied by the USDC, Los Angeles. An immediate appeal was filed. On November 16, 1948, the U. S. Board of Parole ordered the release of Roselli holding there was insufficient evidence to justify the previous parole revocation.

CURRENT ACTIVITIES OF SUBJECT ROSELLI (Page 169)

Information received from confidential informants to the effect that subject John Roselli was associating with underworld characters in Los Angeles was furnished to the Attorney General by memorandum dated March 5, 1948. The Attorney General requested that a full investigation in this matter be conducted. Roselli is closely associated with Bryan Foy, Vice President in Charge of Production at the Eagle-Lion Motion Picture Studio. Foy has a reputation of being a "Hoodlum lover", however, Roselli is regarded as being "too smart" to meet with racketeers and hoodlums openly. It has been rumored that such meetings on the part of Roselli were held secretly in either the Palm Springs or Encino, California residences of Bryan Foy.

EMPLOYMENT STATUS OF SUBJECT CHARLES GIOE (Page 170)

On June 15, 1948, it was determined that subject Gioe was employed with the Tote Brush, Inc., another company in which Paul L. Mann has a financial interest. According to the terms of Gioe's parole, he was to be employed by the Consolidated Wire and Associated Industries, a concern also controlled by Mann. Gioe did not obtain permission from the parole authorities for this change in employment.

CONGRESSIONAL INTEREST IN INVESTIGATION (Page 171)

Concurrent with the Grand Jury hearings in this case, representatives Fred E. Busbey (R.-Ill.) and Clare E. Hoffman (R.-Michigan) have continued to express an interest in this case. On three occasions this year these Congressmen have attempted to secure testimony from the Director or Bureau official concerning this case. In all instances the request was referred to the Attorney General and the Congressmen advised that the Bureau would be guided by the instructions of the Attorney General in this regard.

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The over-all investigation conducted by the Bureau has not disclosed any evidence of criminal irregularity in connection with the granting of the paroles of the subjects in this case. The FBI investigation did not relate to the general administration of the Parole Board as such, but was concerned with the alleged irregularities originally reported and those alleged irregularities coming to our attention during the course ofthis investigation of the parole of the subjects in this case.

BASIS FOR CURRENT INVESTIGATION BY FBI

By memorandum dated September 15, 1947, Attorney General Tom C. Clark advised that he had been informed by Congressman Fred Busbey (R.-Ill.) that there was indication of bribery in connection with the recent parole of Louis Campagna, Charles Gioe, Philip Louis D'Andrea, and Paul De Lucia (more commonly known as Paul Ricca). The Attorney General requested an immediate and full investigation of this allegation. (EXHIBIT 1)

The Attorney General on the same date telephoned the Director and reiterated his request for a full investigation, stating that the Department would prosecute if the allegation was substantiated. (EXHIBIT 2)

Campagna, Gioe, D'Andrea, De Lucia (Ricca), and John Roselli were sentenced in the U. S. District Court for the Southern District of New York to ten years in a Federal penitentiary and fined $10,000 on December 31, 1943, for violation of Section 420a, Title 18, U. S. Code, the Anti-Racketeering Statute, which was passed June 18, 1934, and made it an offense for anyone to interfere with trade and commerce by violence, threats, et cetera. (EXHIBIT 3) This Act was amended on July 3, 1946, to generally make it a felony to interfere with commerce by robbery or extortion.

All five of these subjects began serving their sentences on March 8, 1944. All five were released on parole on August 13, 1947, by unanimous decision of the U. S. Board of Parole, which was then composed of the following members: Judge T. Webber Wilson, Chairman, (subsequently resigned and is now deceased), Judge Fred S. Rogers, and Judge B. J. Monkiewicz. Accordingly, at the time of their release on August 13, 1947, the subjects had each served a total of 3 years, 5 months, and 5 days, or 1 month and 5 days more than one-third of their respective sentences.

The circumstances surrounding Roselli's parole are, therefore, included in the investigation, although he was not specifically mentioned to the Attorney General by Congressman Busbey, or by the Attorney General to the Bureau.

There is involved here an alleged violation of the Bribery Statutes, Sections 91 and 207, Title 18, U. S. Code, which are within the primary investigative jurisdiction of the Bureau. (EXHIBIT 4)

BACKGROUND RE ORIGINAL CONVICTIONS

On March 18, 1943, an indictment was returned in the Southern District of New York charging

Frank Nitto
Louis Campagna
Paul De Lucia
Phil D'Andrea
Francis Maritote
Charles Gioe
Ralph Pierce
John Roselli
Louis Kaufman

together with the following confederates,

William Bioff
George Browne
Nicholas Circella

with a violation of Section 420a, Title 18, U. S. Code, commonly known as the Anti-Racketeering Act. The indictment charged that the defendants conspired to obtain sums of money in excess of $1,000,000 from a group of motion picture producing corporations "by wrongful use of force and fear" and for "protection." The indictment alleged that the defendants demanded payment of money "for not restraining, impeding and obstructing the production, interstate distribution and exhibition of motion pictures ... and otherwise injuring and destroying and attempting to injure and destroy the business of victims."

The subjects of instant case, namely, Campagna, Gioe, D'Andrea, De Lucia, and Roselli were convicted after trial by jury on December 23, 1943, and subsequently on December 31, 1943, were each sentenced to 10 years' imprisonment in a Federal penitentiary and $10,000 fine.

Francis Maritote was also convicted and sentenced to serve 10 years and pay $10,000 fine.

Louis Kaufman was convicted and sentenced to a term of 7 years plus $10,000 fine.

Ralph Pierce received a directed verdict of acquittal at the conclusion of the government's case.

Frank Nitto committed suicide on March 19, 1943, at Riverside, Illinois, the day after the indictment naming him was returned.

Following imposition of sentence, the five subjects were remanded to jail. On March 4, 1944, the U. S. Court of Appeals denied a motion for bail pending appeal. The subjects elected to begin serving sentence pending disposition of the appeal and they entered on service of their sentence on

March 8, 1944, which is the date from which their serving of sentence is computed.

On December 20, 1944, the U. S. Court of Appeals affirmed the action of the lower court. A writ of certiorari was denied by the Supreme Court of the United States on April 2, 1945, and again on April 30, 1945. The minimum sentence as to all five subjects would expire on November 20, 1950, with time off for good behavior. The maximum sentence would expire on March 7, 1954.

INVOLVEMENT OF BROWNE AND BIOFF

The Anti-Racketeering case concerning Compagna, et al, stemmed directly from a prior case involving George E. Browne and William Bioff. The Bureau's case in this matter was entitled "George E. Browne, with aliases; William Bioff, with aliases; et al; International Alliance of Theatrical Stage Employees; Antitrust; Anti-Racketeering; Mail Fraud."

On November 6, 1941, Browne and Bioff were found guilty on three counts of violating the Federal Anti-Racketeering Statute in that by the use of threats, force and fear they induced certain large motion picture companies (such as Loew's, Inc., Paramount, Inc., 20th Century Fox Film Corporation, and Warner Brothers Pictures, Inc.) to pay them sums of money totaling $550,000.

On November 12, 1941, Bioff was sentenced to ten years' imprisonment and a $10,000 fine on count one, ten years' imprisonment on count two to run concurrently with the prison sentence received under count one, and ten years and a $10,000 fine on count three to run consecutively to the concurrent sentences on counts one and two. The prison sentence on count three was suspended, conditioned however upon payment of the two $10,000 fines. He was then placed on probation for five years, this probationary sentence to begin upon completion of the sentences under counts one and two.

On November 12, 1941, Browne was sentenced to eight years and $10,000 fine on count one, and on count two to eight years which were to be served concurrently with the prison sentence under count one. Browne was sentenced to ten years and $10,000 fine on count three with the same provision as to suspension and probation conditioned upon payment of the fines, as indicated in the case of Bioff.

From the investigation and trial of the Browne and Bioff matter, information was developed indicating that certain individuals known as the "Chicago Mob" were behind Browne and Bioff in their extortions from the motion picture industry. The development of this additional phase resulted in the return of indictment against Campagna, Gioe, D'Andrea, De Lucia, Rosselli, and others as indicated above.

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The Bureau conducted a very extensive investigation in connection with these cases.

GRANTING OF PAROLES AT ISSUE

A. STATUTORY BASIS FOR PAROLE.

Every Federal prisoner who is confined in execution of judgment for an offense against the United States for a definite term or terms of over one year, is eligible for parole consideration after he has served one-third of the total of such term or terms for which he was sentenced. This is provided for as a matter of law in Section 714, Title 18, U. S. Code. (EXHIBIT 5)

The granting of parole in a given case is a matter within the discretion of the U. S. Board of Parole. Section 716, Title 18, provides that if it shall appear to the Board of Parole from a report by the proper officials of the prison or upon application by a prisoner for release on parole, that there is a reasonable probability that such applicant will live and remain at large without violating the laws, and if in the opinion of the Board such release is not incompatible with the welfare of society, then the Board of Parole may in its discretion authorize the release of such applicant on parole. (underlining supplied). (EXHIBIT 5)

Prior to 1930 the "Board of Parole" mentioned in Section 716 referred to the respective Boards of Parole which then existed at the various Federal penal and correctional institutions. Section 723A, however, of Title 18 creates a General Board of Parole providing that in lieu of all Boards of Parole at Federal penal and correctional institutions on June 12, 1930, there is created as of that date a single Board of Parole to consist of three members to be appointed by the Attorney General. (EXHIBIT 6)

Prior to 1930, Section 716 of Title 18 also provided that no release on parole shall become operative until the findings of the Board of Parole shall be approved by the Attorney General of the United States. (EXHIBIT 5)

This provision as to the necessity for the approval of the Attorney General was amended, however, as reflected in Section 723B of Title 18, which provides that all power and authority on June 12, 1930, vested in and all duties on that date imposed upon the Attorney General and the several Boards of Parole with respect to the parole of United States prisoners are, as of that date, transferred to the general Board of Parole.

Accordingly, the granting of the paroles at issue in this case was a matter within the discretion of the United States Board of Parole, and in the light of Section 723B of Title 18 the approval of the Attorney General was not necessary. (EXHIBIT 6)

According to Parole Board member Fred S. Rogers, it is not the practice of the Parole Board to refer individual parole cases to the

Attorney General or other officials in the Department of Justice, and to his knowledge such has never been a practice of the Board of Parole. He did state, however, that if any questions of legal procedure arise in connection with a given case, a legal opinion is requested from the Department.

B. [illegible]

According to procedure followed by the U. S. Board of Parole, if at the time subjects were considered for parole an indictment had been outstanding against them favorable consideration would not have been accorded their parole applications. An indictment as to all five subjects had been outstanding in the Southern District of New York until May 6, 1947, at which time nolle prosequi was entered. Relevant facts concerning this matter are as follows:

In addition to the indictments of subjects under the Anti-Racketeering Act, all five subjects were likewise indicted in the Southern District of New York on March 18, 1943, for violation of Section 338, Title 18, U. S. Code, commonly known as the Mail Fraud Act, and for violation of Section 88, Title 18, U. S. Code, commonly known as the Conspiracy Act. This indictment charged in substance use of the mails by the captioned subjects and Francis Maritote, Frank Nitto, and Ralph Pierce, together with George Browne, William Bioff, Nicholas Circella, and Isadore Nevin, and with certain other persons whose names were unknown to the grand jurors, in furtherance of a fraudulent scheme to defraud members of a labor union, known as IATSE (International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada), by inducing said victims to pay and contribute a percentage of their wages and salaries into a fund referred to as the 2 Per Cent Assessment Fund.

This indictment was outstanding at the time of the incarceration of the subjects of this case and remained in effect until May 6, 1947, shortly before the subjects became eligible for parole consideration (the earliest parole date was July 7, 1947 when they completed serving one-third of their respective sentences). Appropriate advice as to the outstanding mail fraud indictment was made a matter of record in the Parole Board files of each of the subjects. In addition to several notations to this effect there is contained in the files of the subjects maintained at the U. S. Penitentiary in Leavenworth, Kansas, a letter dated April 17, 1944 from Boris Kostelanetz, Special Assistant to the Attorney General, (the main prosecuting attorney in the Anti-Racketeering case), which was sent to the U. S. Penitentiary at Atlanta, Georgia. This letter advises that the subjects pleaded not guilty on June 4, 1943 to an indictment charging use of the mails to defraud and conspiracy so to do, which was filed in the Southern District of New York on March 18, 1943; and that a definite date has not been set for the trial of

this case. This letter also advises that at that time the subjects were under bail in connection with this indictment in the sum of $50,000 each.

Subsequent to their indictments on the Anti-Racketeering and mail fraud charges, and prior to their trial of the Anti-Racketeering indictment, all five subjects had been at liberty under bail in the amount of $50,000 each on each of the two indictments, making a total of $100,000 bail as to each subject. The substantial amount of money involved was supplied by various friends and associates of the subjects. This matter is discussed at considerable length subsequently in this report under the caption "Income Tax Settlements as to Campagna and De Lucia."

RECOMMENDATION BY PROSECUTING ATTORNEY KOSTELANETZ: By memorandum to the Attorney General dated July 9, 1946, transmitted by undated cover letter, Boris Kostelanetz, Special Assistant to the Attorney General, who was the main prosecuting attorney in these cases, recommended that a nolle prosequi be filed as to the mail fraud indictment after April 30, 1947. Mr. Kostelanetz pointed out that the date April 30, 1947, would mark the passage of two years from the date of final judgment, April 30, 1945; namely, the denial by the Supreme Court of rehearing of the prior denial of the petition for certiorari in connection with the conviction of the five subjects for violation of the Anti-Racketeering Act. Mr. Kostelanetz indicated that Rule 33 of the New Rules of Federal Criminal Procedure set two years from the date of final judgment as being the maximum period within which a motion for a new trial on the ground of newly discovered evidence may be made. He stated that no useful purpose would be served in keeping the mail fraud case alive on or after April 30, 1947, and that the Government would not be warranted in spending large sums of money to prosecute that case. Mr. Kostelanetz prefaced his recommendations by advising that he was doing so "in view of my imminent departure from the employ of the Department of Justice." (EXHIBIT 7)

A copy of the cover letter by which Mr. Kostelanetz transmitted the above indicated memorandum as it now appears in the Department's files bears an added footnote: "Approved by AG and Mr. McGranery and ret'd to Mr. Caudle 10-4-46." (EXHIBIT 8)

According to a confidential memorandum for the file by Mr. Kostelanetz dated July 17, 1946, he discussed the disposition of the case with the Attorney General and with the then The Assistant to the Attorney General James P. McGranery. The Attorney General directed that Mr. Kostelanetz be appointed Special Assistant to the Attorney General for one day after April 30, 1947, to follow through his above recommendations. It was agreed no statement would be made to the Counsel for the defendants regarding the Government's plans other than the statement that indictments cannot be nolle prossed at present but fair disposition would be worked out in due course. (EXHIBIT 9)

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ACTION BY DEPARTMENT: By letter dated April 9, 1947, Mr. Douglas W. McGregor, then The Assistant to the Attorney General, authorized and directed John F. X. McGohey, U. S. Attorney, Southern District of New York, to file a nolle prosequi immediately after April 30, 1947, in the mail fraud case of United States vs. Louis Compagne, et al. (EXHIBIT 10)

Mr. McGregor, who recently resigned his position with the Department of Justice, was interviewed at Houston, Texas, concerning his authorization of the nolle prosequi. Mr. McGregor advised that he was named The Assistant to the Attorney General on October 9, 1946, replacing James P. McGranery; that in assuming his new position he acquired a great accumulation of correspondence requiring future action. Included in this was the action to be taken in connection with the nolle prosequi of the mail fraud indictment. Mr. McGregor recalled that his letter of authorization to U. S. Attorney McGohey was predicated upon the recommendation made by Boris Kostelanetz and upon the fact that in response to his inquiry no reason had been advanced by the U. S. Attorney as to why the mail fraud indictment should not be dismissed. Mr. McGregor stated he had no information as to why the subjects were granted parole after serving such a comparatively short portion of their respective sentences.

Nolle prosequi was entered on May 6, 1947, having been filed with Judge Vincent L. Libell of the Southern District of New York by E. P. Wheatty of the Department.

BUREAU NOT CONSULTED: The Bureau was not consulted concerning this action either at the Seat of Government or in New York. The Bureau had no knowledge concerning the entry of the nolle prosequi until after it was effected. By letter dated May 9, 1947, U. S. Attorney McGohey forwarded to the Bureau's New York Office a copy of his letter to the Department advising of the entry of the nolle prosequi on May 6, 1947.) The Bureau's New York Office submitted an investigative report dated May 22, 1947, which advised that the Criminal Docket of the U. S. District Court, Southern District of New York, reflected the entry on May 6, 1947 of the nolle prosequi of the mail fraud indictment against the subjects.

Decision as to the filing of nolle prosequi in a given case is a matter outside the scope of the Bureau's authority and within the purview of the Department of Justice. It has been the Bureau's experience, however, in many cases that when the Department is considering the advisability of filing a nolle prosequi in a given case, advice to this effect is furnished the Bureau in memorandum form with the inquiry as to whether or not the Bureau is in possession of any additional facts concerning the case at issue since the submission to the Department of the last investigative report. In such instances the Bureau of course promptly furnishes to the Department such additional facts as may be available, or advice to the effect that the Department is already in possession of all information obtained by the Bureau. The Department did not follow this practice in connection with the entry of the nolle prosequi of the mail fraud indictment in instant case.

SIGNIFICANCE OF THE NOLLE PROSEQUI: The nolle prosequi of this mail fraud indictment is of particular significance since, according to procedure followed by the U. S. Board of Parole, had the indictment remained outstanding, subjects would not have been favorably considered for parole.

Our investigation disclosed that the three Parole Judges, Rogers, Wilson, and Menklewicz, knew that a nolle prosequi had been entered in this case.

VINCENT L. LIBELL, Federal Judge, U. S. District Court, Southern District of New York, who entered the nolle prosequi on the mail fraud indictment pertaining to the subjects of this case, advised upon interview on October 10, 1947, that the motion in this respect was added to the calendar on the day on which the nolle prosequi was entered. Ordinarily the calendar of the cases to be heard is made up in advance and published in the law journal, and the cases are set out on the printed calendar. Judge Libell explained, however, that this in itself was not unusual inasmuch as one or two cases were added to the calendar in this manner practically every day. He stated that he was familiar with the substantial sentences that the subjects were serving in connection with their conviction on the Anti-Racketeering violation, but was not familiar with the history of the subjects and their past criminal activities. He advised that the history of the subjects was a matter which he felt was considered by the trial judge in imposing sentence and not a matter for his consideration in connection with the Government's request to nol pros the mail fraud indictments. He stated that he determined that the Attorney General and Boris Kostelanetz, the attorney who handled prosecution, had approved the nol prossing of the indictments and, therefore, there appeared to him to be no reason for not entering the nol pros. He stated further that Raymond P. Whearty, who represented the Government in this matter and was personally known to him as a reliable and capable attorney, made available to him records or correspondence which established to his satisfaction that the Attorney General approved the nol prossing of the indictments and, since no reason was advanced why the indictments should not be nol prossed, he ordered the nol pros entered.

RAYMOND P. WHEARTY, Special Assistant to the Attorney General, handled the cases of the subjects following the resignation from the Department of Boris Kostelanetz. As indicated, it was he who filed the nolle prosequi before Federal Judge Libell. Mr. Whearty advised upon interview that on May 2, 1947, U. S. Attorney McGohey requested him to prepare nolles as to the mail fraud indictment; that while in McGohey's office the latter "received a telephone call from Washington with respect to expediting their preparation;" that at that time McGohey turned over to him the letter from Mr. McGregor authorizing the entry of the nolle prosequi. Whearty stated that attached to this letter was a copy of a memorandum prepared by Kostelanetz summarizing a conference held approximately one year earlier in the Department between Attorney General Clark,

The Assistant to the Attorney General McGrawery, James McInerney of the Department, and probably U. S. Attorney McGohey, at which time it was agreed that the mail fraud indictment would be dismissed after the time to apply for a new trial under the Anti-Racketeering indictment had expired. Thearty stated it was also agreed at this conference that Costelanets was to be appointed Special Assistant to the Attorney General for one day to handle this outstanding matter but since Costelanets was unable to do so, he, Thearty, was elected to follow through on the matter.

Thearty further advised that on May 5, 1947, drafts of the nolles were examined and approved by Costelanets and were delivered to U. S. Attorney McGohey for his approval; that on May 6, 1947, they were filed in final form before Judge Libell.

JOHN F. X. McGOHEY, U. S. Attorney, Southern District of New York, advised that he has no independent recollection of any telephone call from the Department or anyone else concerning expeditious handling of the nolle prosequi. He stated that he was in receipt of a communication from the Department dated April 9, 1947, (the letter from Mr. McGregor previously mentioned), instructing that the nolle prosequi be filed and that it is quite possible he received a telephone call inquiring concerning the status of the matter. He advised, however, that he does not recall receiving any communication which would indicate that pressure was being exerted in any way. He maintained that the filing of the nolle prosequi in this case was in no way unusual in so far as the manner in which it was handled by his office.

Mr. McGohey advised, after a review of his diary, that at 3 P. M., on May 2, 1947, while Thearty was in his office, he received a telephone call from Peyton Ford, Assistant Attorney General in Washington, and that he is reasonably certain the call from Mr. Ford did not concern instant matter. Mr. McGohey also stated that his diary reflected that on May 5, 1947, Hugh Adams, former Departmental Attorney who is presently practicing law in Dallas, Texas, and Maury Hughes, Dallas attorney, called on him in his office. Hughes, according to McGohey, represented the wife of one of the subjects involved. Adams and Hughes inquired whether the nolle prosequi in the mail fraud indictment would be filed, and if so whether it would be possible for them to obtain a copy thereof. McGohey stated that he advised them the nolle prosequi would be filed (it was filed and entered on May 6, 1947), and that inasmuch as it would be a matter of public record a copy would be made available to them.

(Additional information concerning both Adams and Hughes is set forth subsequently in this report)

U. S. Attorney McGohey reiterated that no pressure whatsoever was brought to bear upon him in connection with this matter.

By memorandum dated October 29, 1947, the Attorney General was advised as to the information obtained concerning Mr. Peyton Ford (as set out on page 10) and concerning Mr. Theron L. Caudle (as set forth on pages 7). The Attorney General returned this memorandum requesting that these officials be interviewed.

PEYTON FORD, The Assistant to the Attorney General, advised that he does not recall making any telephone call to United States Attorney McGohey concerning this case. He is quite certain that he did not make any such call.

Mr. Ford also advised that on one occasion he met Kostelanetz in the hall at the Department of Justice and discussed with him Kostelanetz' recommendations concerning the dismissal of the mail fraud indictment. He recalls agreeing with Kostelanetz' conclusion that the indictment should remain outstanding until after April 30.

On a date unrecalled, but definitely some time prior to April 30, 1947, Mr. Ford stated, he attended a conference with Mr. McGranery and Maury Hughes, the attorney from Dallas, Texas. He stated that Hughes advocated immediate dismissal of the indictment, but that McGranery remained adamant in insisting that no such action would be considered until the full period of the time mentioned by Kostelanetz had expired.

THERON L. CAUDLE, Assistant Attorney General, was shown a photostatic copy of the cover letter which transmitted to the Attorney General Kostelanetz' memorandum of July 9, 1946, which recommended entry of a nolle prosequi to the mail fraud indictment after April 30, 1947. This cover letter as it now appears in the Department's files bears the typewritten notation "Approved by AG and Mr. McGranery and ret'd to Mr. Caudle 10/4/46."

Mr. Caudle advised that to his present knowledge he had not previously seen the undated letter to the Attorney General from Kostelanetz bearing the indicated notation. He does not recall Kostelanetz' memorandum of July 9, 1946, clearing through him, though he does have a faint recollection of having previously seen this memorandum, and of having scanned the first one or two pages thereof. He stated that he did not take any special interest in it since he was not called upon to take any action in connection with the matter.

He stated that he did not attend any conferences in the Department or elsewhere considering the advisability of entering the nolle prosequi and that he assumed the matter was handled by conference between Kostelanetz and Mr. McGranery who was then The Assistant to the Attorney General.

Mr. Caudle pointed out that at the time the subjects of this case were convicted in the Southern District of New York he was United States Attorney at Charlotte, North Carolina, and it was not until some time later that he came to the Department; that accordingly he had only limited knowledge concerning this case. He advised the first time it came to his attention after he assumed

his position in the Department was when Hugh Adams, attorney from Dallas, Texas, contacted him at his office. He said Adams was former Chief of the General Crimes Section of the Department under his supervision and had resigned six to eight months prior to this contact. According to Mr. Camilo, Adams stated he was interested on behalf of another attorney in determining whether the mail fraud indictment then outstanding against the subjects could be dismissed. Mr. Camilo advised Adams he had nothing to do with the case and knew nothing concerning it other than that the subjects were apparently notorious racketeers. He suggested that Adams get in touch with Kostelanetz since the latter had handled the prosecution of the case and was very familiar with it. Mr. Camilo stated that he did mention to Adams that he had a recollection that former Attorney General Biddle had issued a Departmental circular directing that unreasonable delay should be avoided in taking action on outstanding indictments in instances where the defendants were incarcerated on other offenses.

Mr. Camilo volunteered the information that in connection with a case totally unrelated to instant matter he met Paul Dillon, the St. Louis attorney who represented the subjects in connection with their parole. He stated, however, that he had never discussed instant case with Dillon, nor was he approached by Dillon in this respect. Mr. Camilo also advised that he did not make any recommendations in connection with instant matter and that he was not subjected to any pressure of any kind by anyone in connection with it.

The Departmental Circular referred to by Mr. Camilo is Circular No. 1247, Supplement No. 1, dated May 9, 1945, which was directed to United States Attorneys by the then Attorney General Francis Biddle. Briefly, this circular provides that United States Attorneys, in instances where a defendant under an indictment is incarcerated on other charges, shall proceed to trial without unreasonable delay through use of a writ of habeas corpus ad prosequendum; or in the alternative, if the circumstances warrant, shall take prompt steps seeking the dismissal of the indictment. (EXHIBIT 38)

The Departmental Circular of May 9, 1945, generally reiterates instructions contained in Circular No. 1247 dated July 21, 1927.

(EXHIBIT 39)

In evaluating the significance of the circulars mentioned it may be relevant to note that Doris Kostelanetz, when interviewed by Bureau Agents on September 29, 1947, advised that shortly after the conviction of the subjects in December, 1943, on the anti-racketeering charge, he and the attorneys for the defense met in the chambers of Judge John C. Knox with regard to the pending mail fraud indictment. Kostelanetz advised that he moved for an immediate trial, being of the opinion that the defense attorneys would plead the defendants guilty to the mail fraud indictment in order to avail them of the benefit of a probable concurrent sentence. However, defense counsel argued against an immediate trial, and the Judge allowed the request of the defense attorneys and the case was marked off the calendar.

C. PAROLE GRANTED PRACTICALLY WITHIN MINIMUM PERIOD

As indicated all five subjects began serving their respective ten-year sentences on March 8, 1944. They completed serving one-third of their sentences on July 7, 1947, which was the earliest date they could become eligible for parole consideration. They were released on parole August 13, 1947. The Bureau of Prisons' records reflect that each of the subjects paid his $10,000 fine.

Parole Board member Judge Fred S. Rogers personally held hearings with relation to the application for parole by subjects Roselli and D'Andrea. The hearings for the other three subjects, Campagna, DeLucia and Cioe, were handled by Judge T. Webber Wilson, Chairman of the Board. Judges Rogers and Wilson subsequently considered the cases of all the subjects and, upon completion of their deliberations, recommended parole and entered an order of parole. The cases were then placed before the third member of the Parole Board, Judge B. J. Konkiewicz, who concurred with the findings of his associates.

D. OTHER CONVICTED DEFENDANTS STILL INCARCERATED

It will be recalled that Francis Maritote and Louis Kaufman, co-defendants with the five subjects of this case in the Anti-Racketeering trial, were also convicted and sentenced to serve ten years and seven years, respectively.

Maritote did not begin service of his sentence until January 7, 1945, being on bail pending appeal until that date, and accordingly he was not eligible for parole until May 16, 1948. A hearing on Maritote's application for parole is tentatively scheduled to be held at Leavenworth Penitentiary on June 14, 1948.* Kaufman entered upon service of his seven-year sentence on May 15, 1945, being on bail pending appeal until that date. His earliest eligibility for parole was on September 14, 1947. The Parole Board file on Kaufman reflects that Judge Fred S. Rogers, Parole Board member, interviewed Kaufman at Lewisburg, Pennsylvania, Penitentiary on August 27, 1947, in connection with his parole application and continued the hearing to Washington, D. C. Kaufman was subsequently released on parole on December 15, 1947.

It will also be recalled that on April 7, 1942, Nicholas Circella, commonly known as Nick Dean, was sentenced to eight years' imprisonment after indictment for violations identical with those of Browne and Bioff. He

* On June 11, 1948, this hearing was continued to an indefinite date.

entered upon service of his sentence on April 7, 1942, and became eligible for parole on December 6, 1944. His Parole Board file reflects that he did not apply for a parole until December 11, 1945, and that on February 6, 1946, a hearing was held at the penitentiary by Parole Board member Judge Wilson, who continued the hearing to Washington where on May 24, 1946, the parole was denied. The specific reason for the denial of parole is not disclosed in the Parole Board file.

Walter F. Urich, parole executive, advised he could not state definitely why Circella's parole had been denied by the Parole Board members. He noted that at the time of this action the Parole Board consisted of Judges T. Webber Wilson, Edward P. Reidy, and Douglas P. Lucas, all of whom are no longer associated with the Parole Board. Urich advised that the Parole Board file on Circella disclosed considerable background data regarding his criminal record and that this information certainly was taken into consideration by the Board members in denying Circella's parole.

E. BUREAU NOT CONSULTED RE PAROLES

The Bureau had no advance knowledge concerning the parole of these individuals nor was it consulted in advance with reference to their parole. There is nothing unusual about this lack of prior advice or consultation, since the question of parole in a given case is a matter entirely outside the scope of Bureau authority.

F. NO PAROLE REPORTS SUBMITTED BY BUREAU

There were no Parole Reports submitted by the Bureau with reference to any of the subjects in this case. Parole Board member Fred S. Rogers, during interview by the Bureau, expressed regret that there was no FBI Parole Report in the files of the subjects. No Parole Reports were submitted by the Bureau in this case since during the period involved the practice of doing so had been suspended in view of the heavy burden placed upon the Bureau's facilities during the war years. (April 1, 1942, to October 1, 1945.)

Parole Reports are normally submitted by the Bureau to the Bureau of Prisons promptly after a subject is sentenced in a Bureau case to imprisonment for more than one year (if the sentence is for one year or less, the subject is not eligible for parole). Preparation and submission of Parole Reports constitute a service rendered by the Bureau to the Bureau of Prisons and the U. S. Board of Parole. Prior to July 8, 1941, Parole Reports were submitted by the Bureau to the Chairman of the U. S. Board of Parole. However, subsequent to that date Parole Reports have been submitted (except during the war years as indicated) to the Bureau of Prisons at the specific request of James V. Bennett, Director of the Bureau of Prisons, which request was concurred in by Judge Arthur D. Wood, then Chairman of the Parole Board.

The Bureau found it necessary, however, to temporarily discontinue

preparation and submission of Parole Reports on April 1, 1942. (This is reflected in Bureau Bulletin No. 25, dated April 1, 1942).

In order that the Bureau might meet the heavy demands upon its facilities during the war years, occasioned by the Bureau's added responsibilities in the field of national defense and internal security, it was imperative that any functions heretofore performed, which were not absolutely necessary, be curtailed. Accordingly, since the preparation and submission of Parole Reports fell within this category, such reports were temporarily discontinued. By memorandum dated March 26, 1942, Mr. Alex W. Barrett, Director, Bureau of Prisons, was so advised. It was also pointed out to Mr. Bennett in this memorandum that investigative reports on all cases involving prosecution are submitted to the U. S. Attorneys in the field and in each instance to the interested division of the Department of Justice and that, accordingly, there would be available to the Board of Parole, through the files of the Department of Justice, all information which would be available to the Special Agent who in the past prepared the Parole Report.

(EXHIBIT 11)

The subjects of Durant's case were sentenced on December 11, 1943. Since at that time no Parole Reports were being prepared by the Bureau, none were submitted with reference to these subjects. As soon as circumstances permitted, namely, on October 3, 1945, the Bureau resumed the practice of submitting Parole Reports, as reflected in Bureau Bulletin No. 39, dated October 3, 1945. This Bulletin also described the contents of Parole Reports and the full circumstances under which they should be submitted. (EXHIBIT 12)

Parole Reports prepared by the Bureau contain an outline of the offense for which the prisoner has been convicted, a statement of any aggravating or mitigating circumstances and a history of the defendant, including his complete criminal record and information as to whether the subject is wanted by any other law enforcement agency.

The Bureau makes no recommendation with reference to parole but merely furnishes factual data for the guidance of the parole authorities.

Copies of the FBI investigative reports prepared in connection with the investigation of the subjects' involvement in the Anti-Racketeering case were transmitted to the Department of Justice. Fred Rogers, Parole Board member, was questioned as to whether the Parole Board had access to the Departmental files and if the Departmental files containing investigative reports of the Bureau concerning this case had been reviewed prior to the granting of paroles to the subjects.

Rogers stated the Board does have access to the Departmental files but to his knowledge has never reviewed these files when considering parole

for an applicant. He stated specifically that the Board did not review or refer to the Departmental files in connection with the paroles of the subjects.

Rogers stated that the Parole Board operates on the theory that the Departmental files concern the investigation and prosecution of individuals, whereas the problem of the Parole Board is to grant or deny paroles; and that the Bureau of Prisons' files (which are used jointly by the Parole Board) "take up" where the Departmental files "leave off." Rogers said a man "works his way into prison" and then he applies for parole the files used by the Board of Parole would disclose if he has "worked his way out of prison."

INVESTIGATION RE:

ORIGIN AL ALLEGATIONS

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INVESTIGATION RE CRIMINAL ALLEGATIONS OF BRIBERY IN GRANTING OF PAROLES

(a) Allegations By Congressman Fred E. Busbey, (R) of Illinois.

Congressman Busbey * was interviewed by Bureau Agents at Chicago, Illinois, on September 15, 1947, the same day this matter was referred to the Bureau by the Attorney General, at which time he stated that the sole source of his information in connection with this matter is James Doherty *, Chicago Daily Tribune reporter, who has conducted an investigation concerning this matter in Chicago, St. Louis, Missouri, and Washington, D. C. The Congressman advised that:

1. Rumors are prevalent to the effect that a quarter of a million dollars was paid to effect the releases of the paroleees.

2. It is suspected that the money might have passed through the hands of Paul Dillon *, an attorney of St. Louis, Missouri, who represented John P. Nick * and Clyde Beatty *, Vice President and Business Manager, respectively, of the International Union of Motion Picture Operators, St. Louis, Missouri, who, according to the Congressman, were apparently involved in similar difficulties with racketeers.

3. Two "prominent Chicagoans" were among those who interceded for the release of the convicts. He could not identify these individuals. He stated in confidence that he would not be at all surprised if one of the "two prominent Chicago individuals" was Bishop Bernard J. Sheil of Chicago.

4. Doherty advised him that he is of the opinion that the "Attorney General is in a better position to give leads in this case than anyone else in the world."

The Congressman furnished no further relevant information. By memorandum dated September 16, 1947, the Attorney General was advised of the results of the interview with Mr. Busbey, with the request that the Bureau be advised as to further action desired in view of the indefinite nature of the Congressman's information. This memorandum was returned to the Bureau on September 16, 1947, bearing the following handwritten notation: "Please conduct a full investigation of the charges. I have no leads as I did not know of parole until it appeared in the press. T.C.C."

* (See background memorandum)

(b) Investigation of Allegations By James Doherty, Chicago Tribune Reporter.

As soon as Doherty was located he was interviewed at Washington, D. C., September 19, 1947, by Bureau Agents. He furnished no specific facts to substantiate the general allegation made, but did supply considerable indefinite information. For purpose of clarity the results of the Bureau's investigation are set forth after each point raised by Doherty.

1. ALLEGATION

Doherty stated his information regarding the paroles of the subjects and particularly that of De Lucia, whom he calls Ricca, a known alias, first came to his attention in connection with the elections in Chicago in the fall of 1946; that at that time the Italian population on the West Side of Chicago were terrorized and put in fear of their lives in order to make them vote Democratic; that it was rumored at that time and also told him by a Precinct Captain, whom he would not identify, that the purpose of this was to put Democrats in office in order to ultimately effect the release on parole of Ricca and the other subjects; that during the campaign Joe Porcaro, Precinct Captain of the 28th Ward, Chicago, (actually Republican Committeeman for the 28th Ward) indicated he was ashamed of his activity in connection with the elections and apologized to Doherty for his actions; that he, Doherty, personally campaigned vigorously for Republican Mario Tonelli, who was successful in beating one Fosco, the Democrat-Labor Union man, through whom Ricca gave political orders from the penitentiary.

INVESTIGATION

GEORGE TAGGE, political editor of the Chicago Daily Tribune, was interviewed relative to the assertion that the Italian population on the West Side of Chicago was forced to vote Democratic with a view towards ultimately effecting the release on parole of the subjects of this case. Tagge stated that he had been informed by a reporter on the "Tribune", whom he refused to identify, that the reporter in turn had been advised by a photographer for the "Tribune" that the Italian Republican vote was swung to the Democratic ticket in the last election in order that the subjects would be released on parole. Tagge stated that during the latter part of October, 1946, in another discussion of politics with this same "Tribune" photographer, he was informed that the Italian vote was going Democratic from the Republican ticket. Tagge also declared that approximately three weeks prior to the date of the interview, which was held with him on September 30, 1947, the above-mentioned but unidentified "Tribune" reporter advised him that the photographer had stated the vote had been swung in order that four important men in the penitentiary could be released. Tagge at first declined to furnish the name of the photographer; however, he subsequently telephonically advised one of the interviewing Agents that the photographer was Attilio Dante Marcione, commonly known as Dante Marcione.

LARTE MASCIONE when interviewed by Bureau Agents stated that he resided in the 20th Ward of Chicago; that the only information he had received regarding this matter was that in the latter part of October, 1946, he was told by a few people that the 20th Ward, which is normally Republican, would go Democratic as part of the deal to obtain the release of the four Chicago subjects in this case. He said that at that time no names were mentioned, but he assumed the persons to be Campagna, De Lucia, and the other subjects in this case. He stated that a few days later he was assigned to George Tagge of the Chicago Daily Tribune as a photographer to cover a political meeting, and that he happened to mention to him the little knowledge he had on this matter; that the only other time this parole matter was mentioned to him was indirectly during the past spring or summer, specific date or month not recalled, at which time an individual remarked to him that Campagna, De Lucia, et al, might be out soon since "it looked pretty good." Mascione emphatically denied he knew the identity of the persons who made these statements to him and said he would have no way of learning their identities. With reference to the 20th Ward, Mascione advised that up until a few years ago the Ward had been considered predominantly Republican, but of late it had been considered Democratic.

JOSEPH A. PORCARO, Chicago, Illinois, advised that he is Republican Committeeman for the 25th Ward, Chicago. He stated that he knew nothing about the paroles of the five subjects other than that which he read in the newspapers. He claims that he does not know any of the subjects. Porcaro denied that he had during the 1946 elections engaged in any activities on behalf of the Democratic candidates. He denied specifically that he was active on behalf of Fosco, the Democrat-Labor Union candidate. He denied also that he had apologized to Loherty or anyone for his actions, since he had nothing to apologize for. Porcaro stated that there was no trouble in the 25th Ward during the election and that no one was terrorized or coerced before the election or on election day. He also stated that he had "pulled" 13,000 votes for the Republicans in his Ward and certainly did not switch from the Republican to the Democratic ticket.

MARIO TONELLI is a County Commissioner from Chicago, Illinois. It will be noted that James Loherty, the Tribune reporter, stated that Tonelli had campaigned successfully against Pete Fosco, described by Loherty as the man through whom Ricca (De Lucia) gave political orders from the penitentiary. Tonelli stated that his election as County Commissioner resulted from the assistance furnished him by the Chicago Tribune newspaper. He advised, however, that he had no knowledge concerning Fosco's sponsors and, in particular, did not know anything concerning the statement that Fosco was sponsored by Paul De Lucia, alias Paul Ricca. Tonelli stated he knows of no cases of terrorism during the 1946 election, particularly in Wards 20, 25, 26, 27, and 28, which are the five predominantly Italian Wards. Tonelli also specifically stated that he had no knowledge whatsoever concerning the manner in which the parolees in this case secured their paroles other than that which he obtained from reading the current newspapers. He stated he has never discussed parole matters with James Loherty.

PETER FOSCO *, Democratic Committeeman for the 20th Ward in Chicago, advised on interview by FBI that he had no information concerning the manner in which subjects secured their paroles. He denied he had assisted any of them to obtain their paroles. He said that he had known Campagna, D'Andrea, De Lucia, and Willie Bioff as hoodlums before prohibition days. He stated that he did not know the other subjects in this case and that none of these persons has ever given him political orders; that he did not consider them political figures in any way. Fosco specifically denied that he had ever taken orders from subject De Lucia. He stated that he had never visited De Lucia in prison either under his own name or any alias. He denied that any pressure had been exerted to elect Democratic candidates in the 1946 elections with a view towards securing the release of subjects from prison. He stated that no terrorism occurred in connection with the elections.

With further reference to Doherty's allegation that the Italian population on the West Side of Chicago were terrorized and put in fear of their lives in order to make them vote Democratic in order ultimately to effect the release on parole of the subjects in this case, interviews were had with the following political representatives of additional Wards in Chicago which cover the area on the West Side of Chicago predominantly inhabited by persons of Italian extraction:

James Pucelli, Republican Committeeman, 20th Ward

Andrew J. Flandro, Republican Committeeman, 25th Ward

Robert Petrone, Republican Committeeman, 26th Ward

William John Granata, Republican Committeeman, 27th Ward

These persons uniformly denied that any terror existed in connection with the 1946 elections. All denied having any knowledge concerning the manner in which instant paroles were secured. All denied that any attempt was made to control the elections so that the release of the subjects on parole might ultimately be effected.

2. ALLEGATION

Doherty stated that when the subjects were paroled in August, 1947, anonymous information from many sources was received by the Chicago Tribune and by him personally, indicating that a quarter of a million dollars had been paid to effect the release of the subjects on parole; that the Chicago Tribune has several files containing varied information and rumors concerning this matter which would be made available for review by the Bureau.

* (See background memorandum)

INVESTIGATION

Doherty was originally interviewed in Washington, D. C. After his return to Chicago he was interviewed on September 27, 1947, with reference to his statement that the Chicago Tribune had several files containing information and rumors concerning this matter. On this occasion Mr. Doherty stated the pertinent files to which he referred consisted of the Chicago Tribune morgue files which contain information published by the Chicago Tribune with reference to individual hoodlums and their activities in and around Chicago, Illinois. Doherty had no additional information to offer concerning the allegations of bribery and other irregularities in connection with this case. He did state that he had received one or two anonymous letters concerning the parole matter, but he has turned these over to Representatives Busbey and Hoffman, members of the Congressional Subcommittee investigating this case. Doherty did not retain any copies of these anonymous letters. He reiterated that he does not have in his possession any information concerning the paroles of instant subjects which have not been printed in the newspapers. Hoffman and Busbey have specifically denied receiving any anonymous letters from Doherty.

The morgue files of the Chicago Tribune from August 13, 1947, the date the subjects were paroled, to September 27, 1947, were reviewed and found to contain no information of value with reference to the paroles not previously known to this Bureau.

3. ALLEGATION

Doherty stated an anonymous caller informed him a quarter of a million dollars was paid to secure these paroles to Paul Dillon, a St. Louis attorney whom Doherty described as a lawyer representing racketeers and who had access to the White House, being given preference over important government officials since for many years he has been a friend and confidant of the President.

INVESTIGATION

Extensive investigation has failed to uncover any evidence which would substantiate this anonymous allegation. The entire investigation undertaken by the Bureau in connection with this case was designed to gather any evidence which might exist to prove or disprove that a quarter of a million dollars or any other sum of money or thing of value was passed to influence the granting of paroles in this case. The results of the over-all investigation conducted by the Bureau in this case - as appears hereinafter - has a bearing on this allegation, particularly the information set forth concerning Paul Dillon.

4. ALLEGATION

Doherty stated he was recently informed by a friend of his,

whose name he would not divulge, that an Italian barber named Seesle (phonetic) who is employed in the Chicago Assessor's office, had stated that one Joe Burge or Burgis, former Mayor of Maywood, Illinois, was involved in handling the money in connection with these paroles.

INVESTIGATION

ROBERT O. SCELSE, (not Seelse) Deputy Assessor, City of Chicago, denied that he has made any statements to anyone relative to the manner in which instant paroles were secured. He stated his knowledge is confined to what he has read recently in the newspapers; that approximately thirteen years ago he was a barber in the Hotel Sherman, Chicago; that while he employed he became acquainted with D'Andrea. He denied that he was acquainted with any of the other paroless or that he had any knowledge as to the manner in which any of the paroless had secured their paroles.

Scelse stated that Joseph Imburgio Bulger, referred to by Doherty as Joe Burge or Burgis, is the head of a fraternal organization known as the Italo-American National Union, that this organization is now an insurance company, and that it was his opinion all of the paroless were members of this organization. Scelse could not recall definitely whether it was Joseph Bulger or his brother who was former Mayor of Maywood, Illinois, but stated that in any event it was a long time ago. He advised that Bulger is now practicing law at 139 North Clark Street, Chicago, and that he did not know if Bulger was in any way associated with the paroless. He also stated specifically that he never made any statement to anyone that Bulger handled any money in connection with this parole matter.

JOSEPH IMBURGIO BULGER *, Chicago attorney who has frequently represented reputed members of the hoodlum element in Chicago, was contacted on September 27, 1947, and he refused to discuss the matter, stating "I do not desire to discuss the parole matter at this time. If at a later date I desire to make a statement, I will contact the Chicago Office." Bulger's refusal to discuss this matter with FBI Agents was specifically called to the attention of the Attorney General by memorandum dated October 16, 1947. Bulger was subsequently reinterviewed, however, at which time he generally denied having any knowledge concerning, or having participated in, the securing of the paroles for the subjects. He did furnish very limited information concerning other matters of interest in connection with this investigation. This information is set forth subsequently in this report.

5. ALLEGATION

Doherty stated Congressman Busbey had told him that the Attorney General had told the Congressman two prominent persons in Chicago were

* (See background memorandum)

involved. Doherty stated: "I can name two prominent people: Bishop Sheil and Steve Healy"; that Bishop Sheil had long been known for his activities with paroles; that Steve Healy owns the Hotel Stevens, the Hotel Sheraton, and three other hotels in Chicago, which he bought with "Capone money"; that former Mayor E. J. Kelly of Chicago is reputed to be a partner of Healy in connection with the operation of these hotels.

INVESTIGATION

By a memorandum dated October 3, 1947, the Attorney General was advised of the statement attributed to him. By memorandum dated October 8, 1947, the Attorney General advised that he conversed by telephone with Congressman Busbey late one Saturday and that the Congressman said he understood two prominent Chicago persons were instrumental in the paroles. The Attorney General stated he advised Congressman Busbey he knew nothing of the case.

BISHOP BERNARD J. SHEIL, Auxiliary Bishop of the Archdiocese of Chicago, upon interview by Bureau Agents, emphatically denied that he had had anything to do with securing the paroles of the subjects in this case. The Bishop described the association of his name with the paroles of the subjects as mainly a vicious newspaper activity. He stated that a newspaper, the identity of which he did not care to disclose, had even gone so far as to call over one hundred people and inject his name into the matter. He stated that he personally told subject Campagna's attorney, Sidney Korshak, Congressman Busbey and all the local newspapers that he would immediately institute suit for slander or libel if they dare cause his name to be mentioned in this matter.

Bishop Sheil advised that after hearing of the efforts being made to connect his name to this case, he telephonically contacted the Attorney General on three occasions, informing the latter that he positively had no connection with the case. The Bishop stated that he desired his attitude be made known to the Attorney General. The results of this interview with the Bishop were furnished to the Attorney General by memorandum dated October 3, 1947.

No tangible information of any kind was developed by the Bureau during its investigation to indicate that Bishop Sheil was in any way connected with securing the paroles of instant subjects.

S. A. HEALY *, (Steve Healy) President of the S. A. Healy Company, a construction concern, was interviewed at his residence in the Blackstone Hotel, Chicago. Healy denied that he had interceded in any way on behalf of subjects in connection with their paroles. He stated that he does not know any of the subjects of this case other than Giese. Healy stated he

* (See background memorandum)

first met Cice approximately ten years ago while vacationing at Hot Springs, Arkansas; that as a result of this casual social acquaintance he thereafter saw Cice about a dozen times a year. Healy understands Cice's occupation to be operator of the Beachcomber Restaurant on the near North Side of Chicago. (Actually Cice disposed of his interest in the "Beachcomber" during the latter part of 1943. Cice had owned one-third of one-half interest in the restaurant, which is valued at approximately $90,000. Cice's interest was settled for $15,000.)

Healy also stated he has had no contact whatsoever with Cice since the latter was sent to prison in 1944, and that the matter of parole for Cice or his associates has never been mentioned to Mr. Healy by anyone, or by Mr. Healy to anyone. His first knowledge concerning the paroles of these subjects was obtained from reading the newspapers.

Healy did state he did not consider Cice as a hoodlum, and that if he had been requested to write a letter of recommendation for Cice's parole, he would gladly have done so. Healy advised he had no knowledge of any political pressure or irregularities in the procurement of the paroles for Cice or the other subjects.

6. ALLEGATION

Doherty stated Harry Ash, State Superintendent of Crime Prevention for the State of Illinois, (and original designated Parole Advisor for Cice) told Doherty that Bishop Sheil and Steve Healy had been the original sponsors of subject Cice, and for this reason Doherty connected Bishop Sheil and Healy with the paroles of the subjects in this case. He offered no further information as a basis for the contention that Bishop Sheil and Healy were involved.

INVESTIGATION

HARRY A. ASH*, Superintendent of Crime Prevention, Department of Public Safety, State of Illinois (since resigned), advised he had known subject Cice since approximately 1915; that Sidney Korshak, a local attorney active on behalf of Cice, had requested him to write a letter to the Parole authorities recommending parole as to Cice. When Ash demurred on account of his position with the Crime Prevention Department, Korshak, according to Ash, stated he did not believe Ash could be adversely affected by such a letter inasmuch as a very high Church dignitary, Bishop Sheil of Chicago, was also backing Cice. Ash stated that subsequently when the adverse publicity broke in connection with this matter, Korshak reiterated to him that Bishop Sheil had backed Cice but that he had no proof concerning this. Ash stated he then contacted Bishop Sheil's secretary, being advised that the Bishop did not intercede for Cice, and that any mention of his name in this connection would result in a suit for libel.

* (See background memorandum)

Ash stated he is a very good friend of James Doherty, reporter for the Chicago Tribune, and that on the same day he was advised by Korshak that Bishop Sheil was backing subject Gice, he, Ash, so informed James Doherty of the Chicago Tribune. Ash resigned his position as Superintendent of Crime Prevention of Illinois in October, 1947. Ash stated to Agents on October 8, 1947, that he had resigned to save Governor Green from further embarrassment due to publicity given to Ash's connection with these paroles.

SIDNEY KORSHAK, Sonnes Hotel, business address - 134 North La Salle Street, Chicago, stated he was Charles Gice's civil attorney and has known him for ten years. Korshak was asked if he had mentioned that Bishop Sheil of Chicago had backed Gice and he emphatically denied ever mentioning the Bishop's name. He stated that he does not know Bishop Sheil, has never met him, and has never contacted anyone in the Bishop's office. He said that to his knowledge the name of Bishop Sheil was injected into this case by James Doherty, the Chicago Tribune reporter. Korshak did state that he has a recollection that the Bishop's name was mentioned to him in connection with this case by an individual he does not recall; that such did not strike him as peculiar inasmuch as Bishop Sheil maintained a service wherein he provided parole supervisors, parole sponsors, and jobs for paroles.

Korshak specifically denied that he had told Harry Ash that Bishop Sheil was backing Gice. Korshak denied having any knowledge as to any irregularities in connection with the paroles of the subjects.

Additional data concerning both Korshak and Ash is set forth subsequently in this report.

CHARLES SMITH, Executive Director, Catholic Youth Organization, Chicago, Illinois, advised that the first knowledge he had of the injection of the name of Bishop Sheil into this matter occurred on September 23, 1947, when a newspaper reporter telephonically advised him that Congressman Busbey had informed him, the reporter, he understood Bishop Sheil was sponsoring the parole of subject Gice. Smith advised that he had denied that the Bishop was involved in any way and that he subsequently telephonically contacted James Doherty, Chicago Tribune reporter, since he understood Doherty was writing most of the newspaper articles concerning the paroles of the subjects. Smith stated that when he denied that Bishop Sheil had anything to do with this matter, Doherty replied that he knew the Bishop had nothing to do with it and that he was not going to print the Bishop's name in the paper.

7. ALLEGATION

Doherty stated he had contacted in Mississippi T. Webber Wilson, Chairman of the Parole Board, when the paroles in question were granted, and while Wilson had said he had been given no orders in connection with the paroles of these men, Wilson admitted that from time to time in other cases persons in the Attorney General's Office and Representatives of Congress had

suggested paroles and Wilson had gone along and granted paroles; that Wilson mentioned Congressman Knutson (R. of Minnesota) as one of the persons who had recommended a parole in a case - not connected with instant matter - which he did not recall.

INVESTIGATION

T. WEBBER WILSON, Chairman of the Board of Parole at the time the paroles at issue were granted, and who resigned from that position shortly thereafter, while denying on interview by Bureau Agents that any orders had been given him or any pressure applied in connection with paroles of the subjects, did state that from time to time in other cases, which he could not recall, persons in the Attorney General's Office and Representatives of Congress had suggested that paroles be granted in given cases. In this connection Judge Wilson stated that on numerous occasions he was contacted by Senators and Representatives of Congress, inquiring and making suggestions on behalf of their constituents relative to the paroling of Federal prisoners. He pointed out that he always listened to anything the Senators and Representatives had to say and also considered any written communication received from them. He denied, however, having ever been influenced in his decisions with regard to the paroling of any individuals due to the receipt of a Congressional inquiry or suggestion; that expressions of interest by a Congressman in a particular prisoner were considered by him in the same manner as he considered expressions of interest from a wife or relative of a prisoner, with but one exception, namely, he would probably handle his research work in connection with an inquiry received from a Congressman a little more quickly than he would an inquiry from a relative. He added that if the desires of the Congressman were consistent with the facts and merits of the case, he went along with their recommendations. He emphasized, however, that Congressional requests and inquiries had no bearing with respect to his final decision.

Wilson also stated that it was not the general rule for people in the Department of Justice to contact the Parole Board in connection with prisoners being considered for parole. He pointed out, however, that in the past he had received a number of contacts from persons in the Department. Wilson stated that he did not consider it necessary to disclose the identity of the individuals in the Department, who had contacted him. Wilson also advised that whenever the recommendations of individuals in the Department were not inconsistent with the facts and merits of the particular case, he went along with their recommendations. He again emphasized, however, that at no time had the expressions of anyone in the Department influenced his final decision.

He was specific in stating that neither any representative of Congress nor any employee of the Department of Justice had contacted him in connection with the paroles of the subjects of this case.

8. ALLEGATION

Doherty stated he received a teletype from the Chicago Tribune on the night of September 18, 1947, which he exhibited and which read:

"Anonymous donor advised Freddy Morelli in on deal and priest, who few months ago gave $3000 banquet for Morelli, on petition asking for parole."

INVESTIGATION

FRED MORELLI, Democratic Committeeman from the 1st Ward, Chicago, advised the first knowledge he had concerning the paroles of the subjects was from newspapers, and he knows nothing of any bribery or as to how the paroles were effected.

He stated that a testimonial banquet was held for him in May of 1947, at the Blackstone Hotel in Chicago honoring him for his work in civic enterprises and social welfare. According to Morelli, this banquet was attended by Bishop William O'Brien of Chicago, prominent Catholic clergymen, judges, and businessmen; that no mention whatsoever was made concerning the paroles of the subjects at this banquet.

BISHOP WILLIAM D. O'BRIEN advised that he did not sponsor or in any way assist in the organization of the testimonial banquet held for Fred Morelli; that since Morelli is President of the St. Vincent DePaul Society of St. John's Parish, of which Bishop O'Brien is Pastor, he, the Bishop, was invited to attend this banquet by leaders of this Society. He further stated that because of his position he was the guest of honor. He stated that he did not know who sponsored the banquet for Morelli and that about sixty to seventy-five persons were in attendance.

Bishop O'Brien declared that all of the subjects in this case were unknown to him and that he has no knowledge of any aspect of this case. He stated he knows nothing concerning any irregularities in connection with the paroles of the subjects.

DANIEL PALAGGI, Precinct Captain, First Ward, Chicago, Illinois, advised that the banquet in honor of Fred Morelli at the Blackstone Hotel was sponsored by himself and other Precinct Captains in the First Ward. The banquet cost approximately $600.00 to $700.00, and was for the purpose of honoring Morelli for past favors to the Precinct Captains, for his excellent civic work and his help to the community as a whole. The banquet was paid for by the Precinct Captains and other individuals through small donations of $15.00 to $20.00 each. Palaggi stated the paroles of the subjects were not mentioned at this banquet to his knowledge and that he does not know the parolees.

RICHARD H. WISE, Personnel Department, R. R. Donnelley Printing Company, Chicago, Illinois, advised he attended instant banquet which he understood to be given by Precinct Captains of the First Ward in honor of Morelli. He advised the banquet was not a lavish affair, was held during the lunch hour, and that slightly more than one hundred persons attended. He stated he heard nothing pertaining to the paroles of the subjects while in attendance at this banquet.

PAROLE BOARD MEMBERS

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INTERVIEWS WITH PAROLE BOARD MEMBERS

(a) E. J. MONKIEWICZ*

E. J. Monkiewicz was interviewed at his office in New Britain, Connecticut. He advised he had only recently been appointed to the Board of Parole at the time the parole of these subjects was considered. He stated that all interviewing of the subjects was done by other judges. He added, however, that he had independently reviewed the files available on all subjects, and reached an independent conclusion favorable to parole. He said that he was not contacted at any time in behalf of any of the five subjects nor was he influenced in any manner in reaching his decision favorable to parole. Judge Monkiewicz advised that due to the background of the individuals involved, he would have given favorable consideration to parole in this type of case at the expiration of the minimum sentence. He added that Departmental regulations would have prohibited consideration to parole for any individual on whom a detainer was outstanding.

(b) FRED S. ROGERS*

Fred S. Rogers advised upon interview at Washington, D. C., that the consideration given by the Parole Board in this case was in conformity with the usual procedure. He specifically stated that no one had influenced his recommendation nor had anyone endeavored to influence his decision. He said that to his knowledge there had been no effort on the part of anyone to influence any member of the Parole Board in connection with the granting of paroles to these subjects.

Judge Rogers advised it was his understanding the cases against the subjects here did not involve any violence. Rogers indicated further that he considered a letter concerning one subject (D'Andrea) written to the Board by Judge Bright** of the United States District Court at New York, the sentencing judge, to the effect that Browne and Bioff were the principals in the case in which the subjects were convicted, and that the other individuals were merely co-conspirators, applied to all the subjects who were recently paroled.

Judge Rogers continued by stating that he still considers the subjects as excellent parole risks, and he does not believe they will ever again be arrested. He added that the fact that a nolle prosequi had been entered in connection with a mail fraud case against these subjects at a time when they were eligible for parole was "another thing" which was in his mind at the time parole was granted. Judge Rogers stated that he personally held hearings with relation to the application for parole by subjects Rozelli and D'Andrea and that hearings for the other three subjects were handled by Judge Wilson of the Board of Parole. These cases were referred back to Washington for consideration, and in conformity with the customary procedure Judges Rogers and Wilson considered the cases of all the subjects and upon completion of their deliberations recommended parole and entered an order of parole. The

* (See background information)
** (Died March 24, 1948)

cases were then placed before Judge Monkiewicz, who concurred with Judges Wilson and Rogers in their findings. (Only the majority vote of the three-man board is necessary.)

Judge Rogers stated that Paul Dillon, an attorney from St. Louis, Missouri, accompanied by an associate, Glenn Boehm, appeared before the Parole Board on August 7, 1947, as attorney for all five subjects and "presented a logical and concise statement" in favor of paroling. Judge Rogers pointed out that the case of these subjects was "just another case" to him until newspaper publicity appeared attacking the paroles.

Judge Rogers indicated that he had gained the inference from the articles appearing in the Chicago Tribune that the Tribune was alleging a definite "fix" and that in his mind the inference was principally that someone in an official capacity had been paid something of value. He added that on September 12, 1947, he prepared a memorandum to the Attorney General pointing out this fact and suggesting that an investigation be conducted. This memorandum was not forwarded, however, for the reason that an investigation was instituted prior to his sending it out. The Judge stated he felt positive there was no "fix" in connection with these paroles. He re-emphasized that the decision in favor of parole reached by him was based solely on a review of subjects' prison records, the appearance of the defendants in oral interviews and statements made to the Board by their attorney. He added that to his knowledge no money was paid to any official in connection therewith.

(c) T. WEBBER WILSON* (Now Deceased)

T. Webber Wilson when interviewed at Coldwater, Mississippi, stated that according to his recollection he interviewed subjects Campagna, Gioe and DeLucia at Leavenworth in July, 1947. He claims that before arriving at Leavenworth he was not cognizant of the fact that these three prisoners were included in his list of over one hundred cases which he was to consider while at that prison. After hearing the cases of Campagna, Gioe and DeLucia, Judge Wilson in his report designated that their cases were to be given further consideration by the Board of Parole in Washington.

It was Judge Wilson's recollection that the other two subjects, D'Andrea and Roselli, were interviewed in prison by Judge Rogers. One of the five subjects, (D'Andrea) whose identity was not recalled by Judge Wilson, was represented by Emanuel Stern of Fargo, North Dakota, an attorney, who the Judge said was a former National Committeeman of the Republican Party. The remaining four subjects were represented by Attorney Paul Dillon of St. Louis. These two attorneys are reported by Judge Wilson to have appeared before the Parole Board at Washington on at least two occasions in behalf of their clients.

Judge Wilson stated that his decision to vote in favor of granting paroles to the subjects involved here was based on the termination by Judge Knox of sentences being served by George Browne and William Bioff; the allegation that the five subjects were convicted of violating the Anti-Racketeering Statute [redacted] b7D

* (See background information)

that four of the subjects did not have prior criminal records and one had not been involved with the law for twenty years; the removal of detainers against the subjects; recommendations received in behalf of the subjects from Catholic priests and other prominent citizens in Chicago. (Information concerning these individuals is set forth under the caption "INTERVIEWS WITH PAROLE ADVISERS, PROSPECTIVE EMPLOYERS AND PERSONS WHO INTERESTED THEMSELVES IN SUBJECTS' PAROLES".) Judge Wilson stated that his decisions in parole cases were always based upon the merits of the particular case, and he follows no general rule in connection with the particular offense for which a subject was convicted. Judge Wilson indicated he would not have voted for paroles had Federal detainers against the subjects been permitted to remain in force. The Judge added that to his knowledge, Attorneys Stern and Dillon, other than through their arguments to the Board, used no other means in attempting to influence a decision of the Parole Board members.

Other than considering recommendations from individuals Judge Wilson classified as priests and citizens of unquestioned reputation in Chicago, Wilson denied that influence of any other type was brought to bear on members of the Board. He stated he did not know who employed Stern and Dillon and that members of the Board never inquired into such a matter.

Wilson also advised that he did not make any inquiry relative to the character, reputation, or associates of the individuals who sponsored the granting of the paroles in this case. He stated he has never followed that policy in any case and further that he was assuming the citizens of Chicago from whom he received recommendations were people of good character and reputation inasmuch as the majority of their letters on behalf of the subjects were written on letterheads indicating they were connected with large concerns such as International Harvester.

Judge Wilson also pointed out that before any prisoner may be paroled he must have a parole adviser, a citizen in the community from which the prisoner originally came, who will vouch for the parolee and assist in his rehabilitation. Before such an adviser is accepted by the Parole Board he must be investigated ordinarily by the Federal Probation Officer in the Judicial District involved. In this instance, Wilson stated investigation of the advisers was handled by the Federal Probation Officer in Chicago.

While considering the applications of the subjects for parole, Wilson caused a letter to be written to Judge Bright in the Southern District of New York, soliciting his opinion concerning the prospective parole of subject D'Andrea. Judge Bright was not contacted by Wilson of the Parole Board with reference to the other subjects. When questioned on this point Wilson stated that Judge Bright's comments were solicited only as to subject D'Andrea, since Attorney Emanuel Stern, who represented this subject, had specifically requested that he do so. Wilson advised he would not have requested Judge Bright's comments in this case if he had not received such a request from Stern. (Further discussions had concerning this contact with Judge Bright concerning D'Andrea under the caption "ATTITUDE OF PROSECUTING ATTORNEY AND SENTENCING JUDGE TOWARD PAROLE OF SUBJECTS".)

(d) SPECIAL DATA RE WILSON

On October 8, 1947, Congressman Clare Hoffman (R-Mich.) advised the Bureau that he was interested in determining the reason for the retirement of Wilson from his position as Chairman of the Parole Board, whether Wilson had made any large deposits of money and whether he was living in an extravagant style.

The orders granting the paroles in this case were entered on August 7, 1947, to be effective August 13, 1947. Wilson resigned on September 1, 1947. With reference to his resignation Wilson stated that he had indicated to the Attorney General his desire to resign at least one year prior to the date of his resignation; that he remained on the Parole Board until September in accordance with the request of the Attorney General. He stated that he has given approximately twenty years of his life to the Federal Government (he was with the Parole Board from July 25, 1935, until his resignation. His salary was $9,376.50 per annum); that his health is not too good; and that he desired to return to Mississippi where he could lead a more quiet life. He stated he was not requested to resign and exhibited a letter addressed to him by the Attorney General expressing the latter's appreciation for his remaining with the Parole Board as long as he did.

This information supplied by Judge Wilson concerning his resignation was confirmed through inquiry of Parole Executive Urich*. Urich also added that in September of 1946 Wilson made a trip to various prisons on the West Coast and said "good-by" to the officials in these prisons, and that subsequently in December of the same year Wilson had informed prison officials in the penitentiaries in the South East of his forthcoming resignation. Urich advised, however, that before Wilson could resign, resignations from the Board occurred necessitating new appointments, and Wilson felt morally bound to remain with the Board until it was again functioning smoothly. Urich also pointed out that Wilson is 53 years of age and was at one time a Member of Congress and a Federal Judge in the Virgin Islands.

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(*See background information)

For approximately twelve years prior to the first of September, 1947, Wilson and his wife resided at the Annapolis Hotel in Washington, D. C. During the first part of September, 1947, he returned to Coldwater, Mississippi. Officials at this hotel have advised that Mr. and Mrs. Wilson were very conservative in their manner of living; that they very seldom entertained and gave no indication of living beyond their means. The Wilson's apartment at the Hotel consisted of one room, kitchenette and bath at a rental of approximately $100 per month.

Wilson owned a 900 acre farm approximately ten miles from Coldwater, Mississippi. His personal automobile was a 1940 or 1942 Lincoln Sedanette. No information was obtained during the course of the over-all investigation conducted in this case which would indicate that Judge Wilson lived extravagantly. Following his resignation as Chairman of the U. S. Board of Parole, Wilson returned to Mississippi. He underwent medical treatment for cancer and subsequently died from this illness on January 30, 1948.

PAROLE BOARD MEMBERS FROM JANUARY 1, 1945 TO DATE

For purpose of general information, the Parole Board on January 1, 1945 consisted of Arthur D. Wood, Chairman; T. Webber Wilson, member; and Edward P. Reidy, member. On March 20, 1946, Wood resigned and Mr. Douglas Lucas was appointed the same day. On January 10, 1947, Lucas resigned and on January 12, 1947, Fred S. Rogers was appointed. On February 5, 1947, Edward P. Reidy resigned and on June 5, 1947, B. J. Monkiewicz was appointed. On September 1, 1947, Judge Wilson resigned and on September 16, 1947, Daniel Lyons was appointed Chairman of the Board.

ATTITUDE OF PROSECUTING ATTORNEY AND SENTENCING JUDGE (REIGHT) TOWARD PAROLE OF SUBJECTS

ATTITUDE OF PROSECUTING ATTORNEY AND
SENTENCING JUDGE TOWARD PAROLE OF SUBJECTS

Federal Judge John Bright,* Southern District of New York, presided at the trial of these subjects while Mr. Boris Kostelanetz, Special Assistant to the Attorney General, was in charge of prosecution.

Attitude as Reflected by Records:

In Department of Justice Form No. 792 entitled "Report on Convicted Prisoner by United States Attorney," dated August 9, 1945, signed by Boris Kostelanetz, Special Assistant to the Attorney General, Mr. Kostelanetz under a paragraph concerning comments relative to the parole of all subjects except Charles Gioe stated "Parole is opposed." In the report of Charles Gioe, Mr. Kostelanetz under the paragraph concerning comments relative to parole stated "No comment." Each of these reports contained a statement from Judge Bright, which is as follows:

> "Replying to your letter of the 13th in the above matter, I beg to advise you that I would oppose a parole of the above named defendants who were convicted, as you know, for extortion from the motion picture industry. One of the reasons for my decision, and many more could occur to you who knows so well much more than was revealed upon the trial, is that the activities of these defendants and others not only were directed against the motion picture industry but also against the various unions and union members, as well as others. I know of no better way to suppress these kinds of activities than severe punishment." (EXHIBITS 13)

The Bureau of Prisons file reflects a letter addressed to Mr. Walter K. Urich, Parole Executive, United States Board of Parole, Washington, D. C., dated June 5, 1947, from Judge John Bright, United States District Court, New York. In this communication Judge Bright stated that Mr. Urich's letter of the fourth with reference to the case of Phil D'Andrea had been received. In part, this letter states:

> "I have had a number of applications made to me in behalf of this defendant for a commutation or modification of his sentence and I have consistently refused to do anything about it until he had served at least a sufficient length of time to become eligible for parole." Judge Bright then goes into detail concerning the background of this case and in the closing part of his letter stated: "It is difficult for me to make any recommendation even if you would care to have me do so. When I sentenced him and his co-conspirators to prison, I felt

*Died March 24, 1948)

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"very strongly that the full sentences should be inflicted because of the reflection upon labor and labor unions which must have followed from the revelation of the extraordinary facts shown by the evidence of this trial and the effort on the part of these Chicago defendants and two others to muscle in on activities of an international labor union. As I wrote before, D'Andrea was merely the beneficiary of the conspiracy and not an active participant in the arrangements under which Brown* and Bioff* were to extort the money and to divide it among other members of the combination." (EXHIBIT 14)

Mr. Walter Urich, Parole Executive, U. S. Board of Parole, stated that a letter was written to Judge Bright concerning D'Andrea in June, 1947, over Walter Urich's signature. Urich stated that this letter was prepared by secretary Miss Ann Munnenkamp upon the direction of Judge T. Webber Wilson. Judge Wilson wanted to know the attitude of Judge Bright concerning granting a parole to D'Andrea. Mr. Urich pointed out that he had no authority to write such letters, and that while he personally feels that such letters should be written frequently in connection with parole matters, this is a matter within the discretion of the members of the Parole Board. Mr. Urich recalled that an attorney named Stern* had visited Judge Wilson immediately preceding the writing of the letter to Judge Bright. Additional data regarding the action of Attorney Stern is set forth under the subheading "ATTORNEYS."

Judge Fred Rogers,* member of the U. S. Parole Board, stated that Attorney Emanuel Stern had conferred with Judge Bright on behalf of D'Andrea. Rogers stated that Stern indicated Judge Bright felt favorably toward granting D'Andrea a parole. It was for this reason a letter was directed to Judge Bright concerning D'Andrea and omitted a request for Judge Bright's opinion concerning the parole of other subjects. He stated that after receiving Judge Bright's comments regarding D'Andrea, the Board had taken the position that the same statements would apply to other subjects.

Current Attitude Reflected by Interviews:

Mr. Boris Kostelanetz,* former Special Assistant to the Attorney General, stated that he had originally strongly urged against the parole of any of the subjects involved in this case with the exception of Charles Gioe. Concerning the parole of Charles Gioe, he had made no comment. His opinion concerning parole of these subjects was set forth in Department of Justice Form No. 792, which forms have been made exhibits, and mentioned above. Mr. Kostelanetz related that he had been contacted by no one concerning the paroling of these subjects other than by Mr. Raymond P. Shearty* of the Department of Justice. In May, 1947, Mr. Shearty telephonically contacted Mr. Kostelanetz and advised that Judge John Bright had requested that Kostelanetz be contacted

*(See background information)

concerning the parole of Subject Philip D'Andrea. Mr. Kostelanetz stated that his opinion at that time was the same as it had been previously; that is, he was opposed to parole. Regarding a possible illness of D'Andrea, Mr. Kostelanetz advised Mr. Chearty that this was a matter to be determined by the Board of Parole.

Mr. Kostelanetz indicated that shortly after the conviction of the subjects in December, 1943, he and the attorneys for the defense met in the chambers of Judge John C. Knox for the purpose of discussing a pending mail fraud indictment. Mr. Kostelanetz revealed that he desired an immediate trial. However, the defense attorneys declared that an immediate trial would be a hardship because of the involved nature of the case. The Court allowed the request of the defense attorneys and the case was marked off the calendar. During the first week of July, 1946, Mr. Kostelanetz, about to resign as Special Assistant to the Attorney General, prepared a memorandum for the Attorney General recommending a nolle prosequi subsequent to April 30, 1947. He stated that the reasons advanced by him as to why the indictment should be nol-prossed were in substance that a new trial would be most expensive to the Government and there was a strong possibility that any sentence imposed for the mail fraud charge would be served concurrently with that of the anti-racketeering charge. He indicated that the Court would undoubtedly consider the activities covered by the two indictments to be one action. Mr. Kostelanetz revealed that at no time had any person not connected with the case ever exerted any pressure upon him or requested him in any way to nol-pros the indictment with the exception of the defense attorneys and also one Harold V. Smith. Mr. Smith was said to be an official of a local of the International Alliance of Theatrical Stage Employees on the West Coast and he instigated a move by the various locals of this union to petition the Federal Government to try the defendants on the charges included in the mail fraud indictment.

Judge John C. Knox,* Senior Judge of the Southern District of New York, stated that he knows nothing whatsoever about the parole of the subjects and the nol-pressing of the mail fraud indictment.

Judge John Bright,* Southern District of New York, stated that shortly after these subjects had been sentenced, he had advised Mr. Boris Kostelanetz that he was opposed to parole of any of these subjects in order that his opinion might be included in recommendations made to the U. S. Board of Parole. Judge Bright indicated that he had not wavered from this position at the present time. Judge Bright related that late in 1945 he had been contacted by an attorney named Stern from Fargo, North Dakota, concerning assistance to subject Philip D'Andrea. Judge Bright declared that he gave Stern no satisfaction whatsoever. Following the contact by Stern, Judge Bright was visited by George Dix, a New York Attorney who pleaded for the altering of D'Andrea's sentence. Dix was

*(See background memorandum.)

likewise given no consideration. Late in 1946 or early in 1947, Judge Bright stated he granted another interview to Stern and again told him that there was no chance of having the sentence that was imposed upon D'Andrea altered or modified in any way. Judge Bright pointed out that a few months ago he had received a letter from Walter Urich of the U. S. Board of Parole, requesting advice as to how he felt about the parole of Philip D'Andrea. Judge Bright declared that his letter in answer to Mr. Urich was confined to the subject D'Andrea and that he had refused to make any recommendation.

TRANSFER AND CONDUCT OF PRISONERS HELD IN FEDERAL CUSTODY

* * * * * * * *

TRANSFER AND CONDUCT OF PRISONERS WHILE IN FEDERAL CUSTODY

The U. S. Penitentiary, Atlanta, Georgia, was designated for all prisoners by James V. Bennett, Director, Bureau of Prisons, and each prisoner was committed to this institution on April 4, 1944. They remained in this institution until transferred, the details of which are as follows:

LOUIS CAMPAGNA (TRANSFER):

Campagna was ordered transferred from the U. S. Penitentiary, Atlanta, Georgia, to the U. S. Penitentiary, Leavenworth, Kansas, by Frank Loveland*, Assistant Director of the Bureau of Prisons, on July 27, 1945. The reason for this transfer appearing on this order to the Warden, U. S. Penitentiary, Atlanta, Georgia, dated July 27, 1945, was "Nearer release destination." Investigation concerning the circumstances leading up to this transfer disclose the following information: (EXHIBIT 15)

The Parole Board file (used jointly by the Bureau of Prisons) reflects a handwritten notation over the initials "F.L." dated July 13, 1944, as follows: "Mr. McInerney telephoned - said that Tom Clark would like Campagna and De Lucia transferred to Leav. Told him they had been separated from Circella who is at Leav. - Would take no action until heard further from him - " (EXHIBIT 16)

By memorandum dated October 1, 1947, this matter was brought to the attention of Attorney General Clark to determine whether he desired to make any comments concerning it. To date no reply has been received from the Attorney General.

This file contains a Special Progress Report from the U. S. Penitentiary at Atlanta, dated April 26, 1945, which states in part as follows, concerning Louis Campagna: "He is a member of a gang of labor racketeers with connections in the underworld in Chicago and New York. There are several members of this gang, co-defendants, presently in this institution. The settled activities of this group have been causing considerable trouble here and it is felt most advisable to separate him from his co-defendants. He is geographically located for transfer to Leavenworth and to keep his and his co-defendants together in this institution longer will create a serious hazard of discipline and custody." This report further states regarding Committee action: "Recommend for close custody and transfer to U. S. Penitentiary, Leavenworth, Kansas." (EXHIBIT 17)

*(see background memorandum)

In a letter from Assistant Director Loveland to Warden Sanford dated May 1, 1945, the following is an excerpt: "At this time Mick Circella, Registration No. 60609-L, is confined at Leavenworth. This inmate was a member of the same gang as the above-named inmates as will be reflected by the magazine story 'Who Killed Estelle Carey' which I believe you have." The letter continues indicating that a transfer of Campagna and others to Leavenworth would be undesirable at that time because of Circella's presence there. (EXHIBIT 18)

The Parole Board files reflect a memorandum prepared by Assistant Director Loveland dated May 19, 1945, recording a visit made that day by Paul Dillon, an attorney from St. Louis. Dillon stated he had been requested by an official of the Continental Bank of Chicago to see what he could do to have Campagna and Paul De Lucia transferred from Atlanta to Leavenworth, Dillon stating he had no personal interest in the matter. Mr. Loveland's memorandum indicated that Dillon was advised that while such a transfer could be given consideration under ordinary circumstances, there are inmates at Leavenworth who are unfriendly with Campagna and De Lucia, and that there might be serious trouble if these two were placed in Leavenworth. This memorandum indicates further that Mr. Dillon was aware that a similar request had formerly been made to Mr. McGranery (see next paragraph) and that no action had been taken. (EXHIBIT 19)

Regarding Mr. Loveland's reference to Mr. McGranery, Mr. Loveland has advised that Dillon did not mention McGranery, but had mentioned McInerney, and that his stenographer had evidently made a typographical error in preparing the memorandum.

The Parole Board file reflects that in response to a teletype from the Bureau of Prisons to the Warden at Leavenworth Penitentiary, the Warden replied on July 17, 1945, that he had talked with Mick Circella who stated that there was no ill feeling between him and Louis Campagna or Paul De Lucia.

The Parole Board file reflects a letter from Warden Sanford at Atlanta to Mr. Loveland, dated July 21, 1945, concerning a transfer of Campagna and others to Leavenworth. This letter in part states: "From information received, it is quite evident that money is being paid to obtain the transfer of these men to Leavenworth, and I do not believe they should be transferred at this time for this reason. I, of course, would have no objection but they will be problems at Leavenworth in respect to the above, the same as here." This letter contains a pencil notation dated July 22nd or 27th, the writing being indistinct, as follows: "Talked to Warden Sanford - Has no indications

*(see background memorandum)

"that money has been paid - Just said that two attorneys had been very active in these cases - Wm. Scott Stewart & Abe Bradley Eben. Assumed they might be working on transfers. Entire matter discussed with Captain Conner who discussed it with Mr. McInerney. Immediate action being taken because bus at Atlanta now and they can be included at no extra expense." (EXHIBIT 20)

Frank Loveland, Assistant Director, Bureau of Prisons has advised that he made the above indicated penciled notation. William Scott Stewart who is a Chicago attorney who represented the subjects in connection with their appeal from the Anti-Racketeering conviction. A. Bradley Eben is a Chicago attorney who represented the subjects at the time of their original trial on the Anti-Racketeering offenses.

CHARLES SANFORD was interviewed concerning these allegations and stated that through one of his informants among the inmates at the Atlanta Penitentiary he learned that Campagna, De Lucia, and D'Andrea had stated they had $10,000 to arrange their transfer to Leavenworth and were bragging about their ability to effect the transfer. Mr. Sanford stated he did not make any notation concerning the above information, and therefore did not recall the name of the inmate who had given him this information nor whether the subjects had made these statements in the informant's presence, or someone else had told the informant about it. According to Mr. Sanford there was no indication that this money would be paid to Government officials but rather to attorneys.

FRANK LOVELAND, Assistant Director, Bureau of Prisons, was interviewed on September 25, 1947, and stated that to his knowledge no one had influenced the Bureau of Prisons or anyone in the Bureau of Prisons, nor had anyone attempted to influence anyone in the Bureau of Prisons in connection with the handling of the subjects of this case. He pointed out that the subjects were originally incarcerated in the Atlanta Penitentiary for the reason that one Nick Circella and others believed to be Chicago gangsters and enemies of the subjects were incarcerated in Leavenworth Penitentiary, which is the Penitentiary in which the subjects would normally be incarcerated because of its geographical location. He said that to his recollection the first time that the consideration of a transfer of these subjects from Atlanta to Leavenworth was called to his attention was when he received a call from Mr. McInerney of the Department at which time Mr. McInerney asked if the subjects, Campagna and De Lucia, could be transferred to Leavenworth. He stated that he advised McInerney of the incarceration of Nick Circella in Leavenworth and for that reason it was considered undesirable to transfer the subjects there. He stated the next occasion he recalls was when he was contacted by Paul Dillon from St. Louis, who was interested in a transfer of Campagna and De Lucia to Leavenworth,

explaining that he was inquiring about the possibility of such a transfer at the request of an official of the Continental Bank of Chicago. Mr. Loveland stated that he explained to Dillon that Nick Circella was confined in Leavenworth and for that reason it was considered undesirable to effect a transfer.

Loveland stated that subsequently Warden Hunter of Leavenworth had advised that Circella was not an enemy of the subjects and that there appeared to be no reason why the transfer should not be consummated, and that upon receipt of advice from Atlanta that the Bureau of Prisons had a bus going to Leavenworth in which there was space, and at a time when there was no pressure and no efforts being made by anyone to effect a transfer, it had been decided to transfer these men to Leavenworth where they belonged under the normal procedure of assigning inmates to prisons nearest their homes.

With reference to the notation in the Parole Board file that Warden Sanford had indicated that there were rumors to the effect that $10,000 was being paid to effect the transfer of the subjects, Loveland stated he had talked with Sanford regarding this, and Sanford had said that he had no specific information other than inmate rumor and that there were two attorneys interested in the subjects.

LOUIS CAMPAGNA (CONDUCT):

The U. S. Board of Parole file reflects a Special Progress Report dated August 16, 1945, prepared at the U. S. Penitentiary at Leavenworth, Kansas, which states: "While at Atlanta he, (Louis Campagna) maintained a clear conduct record and will be eligible for conditional release November 23, 1950." A Parole Progress Report dated July, 1947, at Leavenworth states: "Campagna has made a good adjustment at this institution both as to work and conduct. He has maintained a clear conduct record and his work reports have been average." It will be noted that the Special Progress Report dated August 16, 1945 at Leavenworth conflicts with the Special Progress Report of the U. S. Penitentiary at Atlanta, dated April 26, 1945, where it was stated that Campagna was a member of a group which had caused considerable trouble and it was felt most advisable to separate him from his co-defendants.

WARDEN SANFORD was interviewed concerning the conduct of these prisoners while at his institution and stated that De Lucia, D'Andrea, and Campagna had caused disturbances among the prison population and because of infractions of prison regulations authorities in Atlanta had taken 150 days good time from De Lucia and approximately the same amount from Campagna. He stated as far as his records reflected this good time had not been restored when they left Atlanta.

Because of obvious conflicts of available information contained in the records, Warden Sanford was recontacted, and, after consulting the records at the Atlanta Penitentiary, he stated that the statement indicating that Campagna and De Lucia had caused trouble among the prison population had been derived from a typewritten portion of a routine progress report dated April 26, 1945, concerning De Lucia. He stated that this observation was based upon comments of various supervisory personnel, but the file did not reflect specifically who was responsible for these comments. Warden Sanford further stated that D'Andrea, De Lucia, and Campagna were "continually bragging and throwing their weight around, which tended to cause other prisoners to look up to them and try to imitate their actions, tending to lower prison morale." Warden Sanford indicated that these prisoners had no friends visiting them except close relatives, and as far as he knew none of the visiting relatives tried to bring pressure on them to have them transferred.

Warden Sanford related that on June 27, 1944, D'Andrea was brought before the Disciplinary Board at which time it was recommended that he forfeit 150 days good time for conniving in connection with an infraction of the rules in attempting to obtain a hospital diet. On the same date De Lucia was brought before the Board for complicity in trying to influence an inmate in the laboratory to return a positive sugar count in his urine so he could be on the diet list. It was recommended that De Lucia forfeit 240 days good time. Warden Sanford stated that copies of the recommendations in the Atlanta Penitentiary files had been signed by the Chairman of the Disciplinary Board, Thomas J. Gough, Associate Warden, but had not been signed by him or other members of the Board. Warden Sanford stated he could not recall why he had not signed these recommendations. The recommended action was not taken.

The Leavenworth Penitentiary files reflect no violation of conduct on the part of Campagna, and there is nothing in the files showing a forfeiture of good time or any disciplinary action.

PHILIP D'ANDREA TRANSFER:

D'Andrea was ordered transferred from the U. S. Penitentiary, Atlanta, Georgia, to the U. S. Penitentiary, Leavenworth, Kansas, by Frank Loveland, Assistant Director of the Bureau of Prisons, on July 27, 1945. The reason for this transfer appearing on the order to the Warden, U. S. Penitentiary, Atlanta, Georgia, dated July 27, 1945, was "Nearer release destination." (EXHIBIT 21)

The Parole Board files contain a letter addressed to Captain A. M. Conner, Assistant Commissioner, Federal Prison Industries, Washington, D. C., dated July 26, 1946, from John R. Robinson, Special Relations and Organization Consultant, Chicago, Illinois, which in part states: "At the time I saw you (about a year ago) I was very anxious to get him (Phil D'Andrea) transferred from Atlanta and also from associations with the others convicted with him. He was transferred shortly after I saw you, and I do not know whether the others were sent to Leavenworth or still are in Atlanta." (EXHIBIT 22)

JOHN R. ROBINSON stated that he has known Philip D'Andrea since 1930 and upon request of his sister, Mrs. Ferrara, in October of 1945, he agreed to make an effort to have D'Andrea moved from the Federal Penitentiary at Atlanta, Georgia, to some other Federal institution. He stated the reason for this transfer was because of D'Andrea's health and that he felt that D'Andrea should be separated from the other convicts inasmuch as they might possibly commit some act which would reflect against D'Andrea's prison record and make it more difficult to obtain a parole.

Mr. Robinson explained that in the course of his business it is necessary to make trips to Washington and incidental to other business he commenced his effort to have D'Andrea transferred. In July, 1945, Robinson contacted Senator Scott Lucas and requested Lucas to make an appointment for him with Daniel Lyons of the Justice Department. On contacting Lyons, Robinson stated that he was advised that the proper person for him to see was James V. Bennett, Director of the Bureau of Prisons, who at that time was on official business in Germany. In his absence Mr. Lyons referred Robinson to Captain A. M. Conner, Assistant Commissioner, Federal Prison Industries. Captain Conner advised Mr. Robinson that he would be unable to assist him and stated that it would be necessary for him to contact Mr. Bennett if he desired to effect his purpose.

Mr. Robinson stated that he took no action in this matter for approximately one year at which time he learned that D'Andrea had been transferred from Atlanta to Leavenworth. D'Andrea's health again was a matter of concern and Robinson made a special trip to Washington about October 2, 1946 to see Mr. James Bennett. At that time Mr. Bennett had a physical examination made of D'Andrea. During the course of his conversation concerning the possible transfer of D'Andrea, Mr. Bennett expressed the opinion to Mr. Robinson that when D'Andrea came up for parole there appeared to be no doubt in view of his prison record, past record, and physical condition, that he would be paroled. Mr. Robinson stated that this trip to Washington was the only trip that he had made specifically in D'Andrea's behalf, and that he was reimbursed in the

sum of $100. The only other money that he received in connection with his efforts to have D'Andrea transferred was reimbursement for long distance telephone calls.

CAPTAIN ALBERT H. CONNER, Associate Commissioner, Federal Prison Industries, Inc., U.S. Department of Justice, stated he briefly reviewed the files of these subjects before departing from Washington, Captain Conner presently being at Alderson, West Virginia. He recalled observing the letter from Attorney Robinson but did not recall any conversation with Robinson. While Conner was Acting Director of the Bureau of Prisons in the summer of 1945 Frank Loveland discussed the transfer of three of the subjects from the penitentiary at Atlanta and Conner is of the opinion that D'Andrea was one of these three. These transfers, according to Conner, ultimately went through having been recommended by the Classification Committee at the Atlanta Penitentiary for the reason that three of the prisoners were forming a clique with other prisoners. Conner was of the opinion that the transfers were held up on the basis of the rumor furnished by Warden Sanford that large expenditures of money were being used to effect the transfers. Later Conner had sent a teletype to Warden Hunter of Leavenworth requesting advice as to whether the prisoners could be accepted at Leavenworth without creating any special problem. Warden Hunter had advised that the three prisoners could be accepted. While in the capacity of Acting Director, Attorney Dillon visited Conner and requested transfer for one or more of these prisoners and at the time of the making of the request Dillon spoke of his alleged friendship with President Truman and pretended to have political weight. Conner is unable to recall whether Dillon was particularly insistent in his request for the transfers. Conner advised that Robinson's letter and Dillon's personal call had nothing to do with the transfers and that these transfers were routine. Conner denies knowing of any irregularity in connection with the parole or the transfers of the subjects. No bribes have been offered to him and he knows of none offered to anyone else.

JAMES BENNETT, Director of the Bureau of Prisons, in regard to the conversation with John R. Robinson as set about above denied that he had made any statement to Robinson concerning the favorable parole of D'Andrea. Mr. Bennett stated that he is not sure that parole was even mentioned during the interview, but that if it were he would have stated, as is usual, the fact that the ill health of the subject D'Andrea would be a matter to be taken into consideration by the Parole Board in considering his parole.

By letter dated July 29, 1946 to Mr. James V. Bennett, Bureau of Prisons, U.S. Department of Justice, Washington, D. C., from Emanuel M. Stern, Attorney, Pioneer Life Building, Fargo, North Dakota, Mr. Stern stated in part:

"The family have expressed a sincere desire to have Mr. D'Andrea removed from the Penitentiary at Leavenworth to the United States Penitentiary at Springfield, Missouri, where transportation and other facilities would enable them to visit him. This is also the wish of Mr. D'Andrea himself." (EXHIBIT 23)

This file reflects that Mr. Bennett acknowledged receipt of Mr. Stern's communication and advised that because of a medical report it would not be necessary to transfer D'Andrea to the hospital at Springfield, which was reserved for those cases requiring special treatment.

A medical report dated October 14, 1946, over the signature of A. T. Morrison, Senior Surgeon, Chief Medical Officer, U. S. Bureau of Prisons, Leavenworth, Kansas, recommended: "If he has any recurrence of symptoms and it appears that he will require permanent hospital care, recommendation for transfer to the Medical Center at Springfield, Missouri, will be made."

Philip D'Andrea was ordered transferred from the U.S. Penitentiary, Leavenworth, Kansas, to the Medical Center for Federal Prisoners, Springfield, Missouri, by John C. Calbin, Acting Assistant Director, on January 3, 1947, for the reason "chronic medical". The Parole Board file reflects that D'Andrea was authorized to and did attend the funeral of his wife on October 29, 1946.

A complete review was made of the medical records concerning D'Andrea during the period of his confinement at Atlanta, Leavenworth and Springfield. During this period, D'Andrea made numerous symptomatic complaints to the effect that he was suffering from heart attack, duodenal ulcer and arthritis. Numerous physical examinations, including electro-cardiographs and x-rays, failed to disclose existence of the ulcers, serious heart disease, or arthritic changes beyond average for his age. D'Andrea did have a positive syphilis condition which was considered arrested, however, after a series of treatments at Leavenworth.

Records at the medical center at Springfield, Missouri reflect that D'Andrea's transfer to the medical center from Leavenworth was because of "arthritis symptoms". He was given treatment for arthritic ailment while incarcerated at Springfield. He gave no indication of possessing any mental disorder at any time during his confinement.

PHILIP D'ANDREA (CONTACT):

At the United States Medical Center for Federal Prisoners, Springfield,

Missouri, the record shows that the following misconduct violations occurred at Atlanta. On May 27, 1944, disciplinary action was taken against D'Andrea for conniving, attempting to influence an inmate to submit a false report on a blood test to show sugar in the blood of inmate De Lucia. This apparently was done to secure a diabetic diet for De Lucia.

There is no information contained in the file of Phil D'Andrea at Springfield concerning a hearing or recommendation for forfeiture of good time.

The comments of Warden Sanford at Atlanta concerning D'Andrea were previously set forth under the caption "Conduct of Louis Campagna".

CHARLES GIOE (TRANSFER):

Charles Gioe was ordered transferred from the United States Penitentiary, Atlanta, Georgia, to the United States Penitentiary, Leavenworth, Kansas, by Frank Loveland, Assistant Director of the Bureau of Prisons, on July 27, 1945. The reason for the transfer appearing on this order to the Warden, United States Penitentiary, Atlanta, Georgia, dated as above, was "Nearer release destination". (EXHIBIT 24)

CHARLES GIOE (CONDUCT):

The United States Parole Board file reflects a Special Progress Report prepared at Leavenworth, Kansas, dated August 16, 1945, which states: "While at Atlanta he maintained a clear conduct record and will be eligible for conditional release November 23, 1950". A Parole Progress Report dated July, 1947, at Leavenworth, Kansas, indicated that Gioe had maintained a clear conduct record and his work adjustment had been satisfactory.

PAUL De LUCIA (TRANSFER):

Paul De Lucia was ordered transferred from the U. S. Penitentiary, Atlanta, Georgia, to the U. S. Penitentiary, Leavenworth, Kansas, by Frank Loveland, Assistant Director, Bureau of Prisons, on July 27, 1945. The reason for the transfer appearing on the order to the Warden, U. S. Penitentiary, Atlanta, Georgia, was "Nearer release destination". (EXHIBIT 25)

The Parole Board files reflect that Paul Millen, attorney from St. Louis, Missouri, contacted an official of the Bureau of Prisons on May 19, 1945,

for the purpose of obtaining De Lucia's transfer to the Federal Penitentiary at Leavenworth, Kansas. The action taken by Dillon and the U. S. Bureau of Prisons was set forth under the caption "Louis Campagna."

PAUL De LUCIA (CONDUCT):

The Parole Board files reflect a communication entitled "Conduct Record" which reflects that on May 27, 1944, De Lucia was reported for conniving with other inmates in an attempt to get a special hospital diet. He was placed in punitive segregation seven days and second grade* 90 days. The records at Leavenworth reflect that on September 10, 1944, De Lucia violated his diet restriction by drinking coffee after previous warnings. His punishment was modified restricted privileges, 90 days. On July 26, 1945, he refused to obey orders and would not mop floors. His punishment was punitive segregation modified restricted privileges, 60 days. At Leavenworth on August 8, 1946, he concealed a can of milk and a jar of sugar. He was reprimanded and warned. A Special Progress Report dated April 26, 1945, at Atlanta, stated that De Lucia was a member of a group of prisoners whose subtle activities had caused trouble, and it was deemed advisable to break up the group for the best interest of the individuals, as well as the institution.

The report further stated that De Lucia was geographically located for transfer to Leavenworth and to keep him and his co-defendants in that institution will create a serious disciplinary and custody hazard.
(EXHIBIT 26)

The comments of Warden Sanford concerning the conduct of De Lucia have been previously set forth under the caption "Conduct of Louis Campagna."

JOHN ROSELLI (TRANSFER):

John Roselli was ordered transferred from the U. S. Penitentiary, Atlanta, Georgia, to the U. S. Penitentiary, Terre Haute, Indiana, by Frank Loveland, Assistant Director of the Bureau of Prisons, on September 18, 1946. The reason for this transfer appearing on the order to the Warden, U. S. Penitentiary, Atlanta, Georgia, was "Nearer release destination."
(EXHIBIT 27)

The Parole Board files reflect a letter dated March 13, 1946, to Warden Sanford, Atlanta, from the Director (apparently of the Bureau of Prisons) indicating that Joseph L. Bulgeroe, an attorney representing Roselli and co-defendants at the trial in New York, intended coming to Atlanta and desired to interview Roselli on March 18 and 19. This letter stated in part: "Mr.

* Inmate deprived of some prison privilege for minor infraction of regulations.
** (See background memorandum)

"Bolger was in to see me today urging that Roselli be transferred to Leavenworth. I told him that because there were other members of his gang at Leavenworth I didn't see how we could properly do it at this time. He said "that Roselli's sweetheart and the only person who is interested in him presently lived in Kansas City and it would be a tremendous help in promoting Roselli's morale if he be nearer so that she could visit him more frequently. I told him I understood this but that for the present I did not see how we could make the transfer." (EXHIBIT 28)

An order to transfer John Roselli to the U. S. Penitentiary, Leavenworth, Kansas, dated March 5, 1946, appears in this file with a pencil notation, "Postpone transfer for present. Maybe later we can consider. JVB."

JOHN ROSELLI (CONDUCT):

According to the Parole Board file, Roselli maintained a clear conduct record while incarcerated.

ATTORNEYS ACTIVE ON BEHALF OF SUBJECTS

* * *

ATTORNEYS ACTIVE ON BEHALF OF SUBJECTS:

1. PAUL DILLON*

Paul Dillon is a St. Louis, Missouri, attorney, who figures very prominently in this case. Several allegations have been made that he manipulated the release on parole of instant subjects.

It will be recalled that James Doherty,* Chicago Tribune, alleged that he had received an anonymous telephone call to the effect that a quarter of a million dollars was paid to Paul Dillon, a St. Louis attorney, to effect the release on parole of instant subjects.

It has also been indicated at the Congressional hearings on this matter in Chicago that Dillon is a friend and former associate of President Truman and as such exerted special influence in securing the paroles of the subjects.

INSTANT ACTIVITY BY:

Dillon did represent subjects Campagna, De Lucia, Dice and Rosselli. It is not clear whether or not he also represented subject D'Andrea since, as will subsequently appear, one of the Board members stated Dillon represented all the subjects, whereas another stated Dillon only represented four of them. Since there are no records on this point and since Dillon has refused to discuss the matter with Bureau Agents, clarification has not been obtained.

According to information derived from a review of the Parole Board records and interviews with officials of the Bureau of Prisons and Parole Board, Dillon engaged in the following activities on behalf of subjects.

A memorandum for the file prepared by Assistant Director Loveland of the Bureau of Prisons, dated May 19, 1945, records a visit that day by Paul Dillon, stating that Dillon advised he had been requested by an official of the Continental Bank of Chicago to see what he could do to have Campagna and De Lucia transferred from Atlanta to Leavenworth. Dillon stated he had no personal interest in the matter. This memorandum reflects that Dillon was advised by Loveland that while such a transfer could be given consideration under ordinary circumstances, there are inmates at Leavenworth who are unfriendly with Campagna and De Lucia, and that there might be serious trouble if these two were transferred to Leavenworth. (Additional information concerning this particular memorandum prepared by Loveland is set forth under the caption "Transfer and Conduct of Prisoners While in Federal Custody.") (EXHIBIT 19)

(* See background memorandum)

According to subject Rosselli, in December, 1946, while he was incarcerated in the Penitentiary at Terre Haute, Indiana, Paul Dillon visited Rosselli with reference to the indictment then outstanding against Rosselli for mail fraud violation. Rosselli stated that about eighteen months previously, William Scott Stewart,* an attorney who had represented him and the other subjects on appeal of their original conviction, had visited him while he was detained at the Atlanta Penitentiary, and that at that time he had requested Stewart to send someone to see him so that he could discuss the mail fraud indictment pending against him. Rosselli indicated that Dillon's visit was a follow-up on his request to Stewart. Rosselli maintained that his conversation with Dillon had to do exclusively with the then outstanding mail fraud indictment, and that no mention was made by either Dillon or himself of the possibility of parole either for Rosselli or the other subjects. Thereafter, according to Rosselli, he received no communications nor did he hear from Paul Dillon ever again. Rosselli denied that he knew Dillon prior to this visit. It is to be noted that Rosselli did not mention Dillon's name until he was specifically questioned concerning it.

Parole Board member Judge Fred S. Myers advised the Bureau Agents that Dillon, accompanied by an associate, Glenn Boehm, Washington, D. C., appeared before the Parole Board on August 7, 1947, as attorney for all subjects and "presented a logical and concise statement to the effect that Hoff and Browne were the principal offenders in this case; that they were the original conspirators, and that each of these principal defendants had been released from prison by an order of District Judge Knox of New York, after they had served approximately three years;" that Dillon had pointed out the splendid prison adjustment of the subjects.

Judge T. Webber Wilson advised that Dillon represented only four of the subjects, a fifth subject, (D'Andrea), whose identity was not recalled by Wilson at the time of the interview with him, being represented by Attorney Emanuel Stern* of Fargo, North Dakota. Wilson stated that he had no information concerning the person or persons responsible for engaging Dillon or Stern to intercede on behalf of the applicants for parole. In this connection he pointed out that members of the Parole Board made it a policy never to inquire into such matters.

Photostatic copies of the Parole Board files obtained by the Bureau contain no record concerning the appearance of Dillon or Stern at the Parole Board hearings in Washington on the parole of the subjects of this case.

Through inquiry of Parole Board members it was ascertained that a mimeographed form is usually filled in when inquiry is made of the Parole

(* See background memorandum)

Board by attorneys, relatives, or individuals interested in discussing parole matters and that this is a clerical duty. Miss Runnecamp, secretary to the Parole Board, stated that even though the mimeographed forms are available, many times individuals get to see the Board members without the clerks obtaining the desired information, which may explain the reason neither the name of Dillon nor that of Stern appears in the Parole Board files.

INTERVIEW WITH DILLON:

On October 1, 1947, Paul Dillon was interviewed by Bureau Agents in Chicago. Dillon declared that he knows of no illegal methods employed or bribes which may have occurred in connection with this matter. He denied that he had seen any Congressmen or Senators or anyone else, except members of the Parole Board in connection with this matter. He stated that he has known T. Webber Wilson,* then Chairman of the Parole Board, for a long time, and that in addition to seeing Mr. Wilson he also saw Parole Board members Fred S. Rogers* on two occasions, and B. J. Meskiewicz* on one occasion in connection with this matter. Dillon also advised that Mrs. Campagna, the wife of subject Louis Campagna, had initially employed him.

Dillon vehemently refused to discuss any other phase of this matter on the grounds that in view of the lawyer-client relationship which existed, he would not discuss anything that had to do with his clients. The Attorney General was advised of this by memorandum dated October 16, 1947.

DILLON'S TESTIMONY BEFORE THE SUBCOMMITTEE:

Dillon voluntarily appeared before and testified at the hearing held in Chicago on September 26, 1947, by the Subcommittee of the Committee on Expenditures in the Executive Departments. Dillon denied that he had used his weight as a personal friend of the President to help secure paroles for the subjects. In response to Committee questionings he also denied that he had visited Robert Hannegan,* Postmaster General, or other influential members of the National Democratic Administration. Dillon testified that he had called on officials of the Bureau of Prisons in Washington in an effort to have "these men" transferred from Atlanta to Leavenworth, doing so at the request of a man named Brady, a member of the Missouri legislature, and personal friend. Brady is identified with Edward Michael Brady,* alias "Putty Nose", former member of the Missouri State Legislature, who died in St. Louis, Missouri, October 2, 1945.

According to Dillon, Brady had advised that he, Brady, had visited Mrs. Campagna, wife of subject Campagna, and that she had complained about the long distance she had to travel to visit her husband in Atlanta.

(* See background memorandum)

Under questioning from Committee members, Dillon also admitted that on the occasion of his trip to Washington, he had called upon President Truman though he denied that he had discussed anything about the subjects with the President. He also admitted that he visited the President socially about three or four times a year. This information was also called to the attention of the Attorney General by memorandum dated October 24, 1947.

Dillon also denied at this hearing that any official of the Continental Illinois National Bank and Trust Company had spoken to him about the parole matter as is indicated in the memorandum prepared by Deputy Director Loveland* of the Bureau of Prisons, dated May 19, 1945. (EXHIBIT 19 discussed above). Dillon testified also that he spoke to T. Webber Wilson, the head of the Parole Board, and Fred G. Rogers, Board member, concerning the paroles of the subjects. He denied that he had prefaced his visit to the Board with the information that he was a former campaign manager for Mr. Truman while the latter was a candidate for the U. S. Senate. In this connection Dillon testified that he was not campaign manager for Mr. Truman but had handled Mr. Truman's campaign in the City of St. Louis.

Dillon also told the Committee that he did not receive any fee for his efforts on behalf of the subjects, but that he expects to be paid for his work in this case by Eugene Bernstein, attorney for Campagna.

Deputy Director Loveland of the Bureau of Prisons was interviewed concerning the discrepancies existing between statements attributed to Dillon as contained in his memorandum of May 19, 1945, and Dillon's statements while testifying before the Subcommittee. Loveland advised that he could not now remember exactly what Dillon had stated to him, since his conversation with Dillon had occurred approximately two years ago, but that the memorandum recording his conversation with Dillon was dictated immediately after the conversation and therefore truly reported what Dillon had said. Loveland stated this is particularly true since he had never heard of the Continental Illinois Bank nor had he heard that Dillon had ever campaigned for Mr. Truman.

ALLEGED INTEREST OF CONTINENTAL ILLINOIS BANK OFFICIAL:

With further reference to that portion of the memorandum prepared by Mr. Loveland, Deputy Director of the Bureau of Prisons, under date of May 19, 1945, which reflects that Paul Dillon advised Loveland he was making this call upon request of a Continental Bank official of Chicago, inquiry was made by the Bureau at the Continental Illinois National Bank and Trust Company of Chicago, Illinois.

(* See background memorandum)

WALTER J. CUMMINGS, Chairman of the Board of Directors, advised that the parole of the subjects in this case first came to his attention through a newspaper article quoting some of the testimony of Dillon, particularly as regards the assertion that Dillon had stated he went to Washington at the request of an official of the Continental Bank of Chicago to arrange for the transfer of some of the prisoners from Atlanta to Leavenworth. Mr. Cummings stated that after noticing this article in the newspaper, he immediately had a meeting called of all of the officers of the bank and asked them at this conference if any of them have had any business or financial transactions with the parolees, and whether they were acquainted with Dillon or with any of the paroled, and that none of the officers had ever been contacted by anyone relative to assistance in securing paroles or transfers for the prisoners.

ARCHIE NEVLE, Auditor of the Continental Illinois Bank and Trust Company of Chicago, upon request, conducted a search of the bank's records which reflected, according to him, that the bank has no record of any of the parolees ever having a savings account, commercial accounts, or safe-deposit boxes at that bank. Mr. Nevle did not make a check of the bank's real estate department in this connection, stating that such a check could not be made by name since it was necessary to have a specific transaction in mind before the files of the real estate department of this bank could be checked.

CONTENTION OF SUBJECTS RE DILLON:

All subjects during the interviews by Bureau Agents denied that they had any knowledge that Dillon was representing them in connection with their paroles.

Subject Campagna stated that he did not know that Dillon had any part in securing the paroles, nor did he know how Dillon came into the case until the Congressional hearings held in Chicago, at which time his wife while on the witness stand stated she had contacted Dillon requesting his aid. According to Campagna, his wife told him that she had originally heard of Dillon through an individual known as "Putty Nose" Brady* (now deceased), a politician in St. Louis who had visited Campagna's wife.

At that time Brady told Campagna's wife that he might be able to see someone in St. Louis who could do some good in having Campagna transferred from Atlanta to Leavenworth. Brady reportedly left a card with Mrs. Campagna bearing the name and address of Dillon. Campagna stated shortly thereafter he and the other subjects were transferred from Atlanta to Leavenworth, but that neither he nor his wife knew if Dillon had anything to do with these transfers. Campagna stated both he and his wife were friendly with Brady, having known him for some time.

(* See background memorandum)

According to Campagna, Dillon was contacted by Campagna's wife in the early part of 1947 and requested to handle the matter of Campagna's parole. Campagna reiterated that he does not know if Dillon had anything to do with securing the paroles, but that since the Congressional hearing he presumes Dillon did play some part in securing the paroles. Campagna advised that he has not received a bill for legal services from Dillon but that should he receive such a bill he feels it will be obligatory on his part to reimburse Dillon for any expenses incurred in this matter. Mrs. Campagna upon interview confirms the above information.

INTERVIEW WITH GLENN P. BOEHM:*

Glenn P. Boehm, Washington, D. C., when interviewed on October 1, 1947, admitted that he had accompanied Dillon at the time the latter appeared before the Parole Board, as indicated before. Boehm stated he is an engineer by profession, not an attorney; that he first became acquainted with Dillon a few years ago when he, Boehm, was endeavoring to get his brother, Frank J. Boehm, paroled from the penitentiary. Frank Boehm had been convicted of perjury and sentenced to five years in a Federal Prison. Glenn Boehm retained Dillon and stated that Dillon was able to get the then President Roosevelt to reduce Frank Boehm's sentence from five to two years, and that thereafter a parole was arranged for his brother. (Frank Boehm was released on parole March 5, 1943. The offense for which he was involved was not a Bureau case. In 1946, however, the Bureau did conduct an investigation concerning Frank Boehm in connection with his application for pardon and restoration of civil rights.)

Glenn Boehm stated that since that time Dillon has been a very close friend of his, and when in Washington shares office space with him. Glenn Boehm recalled that in early August, 1947, he accompanied Dillon to the Parole Board but that he went along more as a chauffeur than anything else; that he does not recall making any statement at the Board meeting, and that he did not represent, nor did anyone else represent that he was an attorney. Boehm's description of what transpired before the Board is substantially identical with that of Judge Rogers, as set forth above.

Glenn Boehm stated that he knows of no fact nor has he heard any statements which would indicate that pressure was brought to bear on anyone in connection with the obtaining of the paroles, or that any money was paid to any officials in this case.

Glenn Boehm also pointed out during this interview that he had noted in one of the Chicago newspapers that members of the Congressional Committee investigating this matter had asked Daniel Lyons, present Chairman of the Parole Board, if he had heard that Boehm had gone to Postmaster General Hannegan or Neal Sullivan, Executive Assistant of the Democratic

(* See background memorandum)

National Committee, in connection with the paroles of these subjects. Boehm stated that he does not know either Hanregan or Sullivan, that he has never met either of them, and that he did not talk with them about this case.

ADDITIONAL DATA RE DILLON:*

Dillon possesses a general reputation of being successful in engineering the parole of prisoners from penal institutions. In an effort to ascertain whether or not he has successfully appeared in this regard before the U. S. Board of Parole on behalf of other prisoners, inquiry was had with Daniel Lyons,* present Chairman of the Parole Board, who advised that he was not in a position to answer the above question, inasmuch as he was just recently appointed to the Parole Board, but for the record would like to state that he has known Dillon for several years as Dillon had contacted him, when he was the Pardon Attorney for the Department of Justice, in behalf of Boehm, in which case the President of the United States did reduce Boehm's sentence from five to two years. Mr. Lyons also stated that Paul Dillon had represented one William Hamar, who had applied for a pardon which had been denied.

Mr. Walter H. Urich,* Executive Office, Parole Board, advised he knew of no other cases where Dillon had shown an interest in securing paroles but that his office is not located close enough to the members of the Parole Board in order that he could see persons calling on the members and there would be no occasion for the members to advise him of the identities of individuals contacting them in behalf of applicants for parole. Mr. Urich suggested that Miss Hunnecamp, secretary to the Chairman of the Board of Parole and who served in this capacity for Judge T. Webber Wilson,* be contacted in this regard.

Miss Hunnecamp stated that she had seen Paul Dillon in the office several times but that she does not know if he was representing clients each time she saw him. Miss Hunnecamp is of the opinion that Mr. Dillon called on Judge Rogers* every time he was in town as a matter of courtesy or friendship and does not believe that he discussed paroles each time he came in the office. Miss Hunnecamp further stated the only time she had been asked to obtain the files of any applicants for paroles was in instant case at the time Dillon was in the office.

Judge Fred Rogers stated that the only additional case that Dillon had expressed an interest in concerning paroles, to his knowledge, involved a case that Judge Rogers believed to be "charity," which involved an inmate at Springfield, Missouri, who had a disease believed by the Judge to be

(* See background memorandum)

Parkington's disease, and that Dillon had contacted the Board in behalf of this inmate in the spring of 1947, which resulted in the inmate getting paroled and being released to the custody of his daughters, who took him to Arizona to "die."

It should be noted that all three present members of the Parole Board have just recently been appointed.

Advice has been received from Parole Board member Fred Rogers that Attorney Paul Dillon has a brother, Daniel Dillon, who has been employed in the Department of Justice for a considerable period of time. It has been ascertained that one Daniel Dillon is an attorney in the Claims Division of the Department at a salary of $9,975 per annum. He was born in St. Louis, Missouri, and has been in the Claims Division of the Department since September 11, 1933. This was called to the attention of the Attorney General by memorandum dated October 25, 1947.

2. EMANUEL STERN*

Stern is an attorney from Fargo, North Dakota. He represented D'Andrea in this matter. Stern is known to have been quite active on behalf of D'Andrea.

Stern was interviewed on September 26, 1947, at his office in Fargo, North Dakota. He appeared to be quite cooperative and the statements made by him as to his activities are consistent with information in this respect received from other sources.

He advised that he was first contacted concerning this matter on November 6, 1945, by Anthony D'Andrea, brother of subject; that Anthony D'Andrea was referred to him by Samuel Shapiro, Chicago, Illinois Attorney for the D'Andrea family.

DETAILS OF INTERVIEW

Stern advised he has known Attorney Shapiro for about three years; that since Shapiro does not handle any criminal matters he had referred the D'Andrea family to Stern after several other prospective attorneys had been considered with a view toward obtaining legal assistance in securing the parole of subject D'Andrea.

Stern stated that he made no definite consent to Anthony D'Andrea other than that he would subsequently discuss the matter with Attorney Shapiro in Chicago. Three weeks later Stern consulted in Chicago with Shapiro, D'Andrea, and Mrs. Perry, subject's sister. At this time D'Andrea was still incarcerated at Leavenworth Penitentiary. Stern stated he accepted the case looking mainly to Shapiro for guarantee of his fee.

According to Stern, he proceeded directly from Chicago to New York arriving there about December 15, 1945. After reviewing the transcript of the case involving the subjects, Stern visited Judge Bright** who had sentenced D'Andrea to jail. He requested the Judge to modify D'Andrea's sentence from ten to seven years so that D'Andrea might then be eligible for parole. Judge Bright informed him he would not alter the sentence and that D'Andrea should serve one third of his original sentence and if the Parole Board did not then grant a parole, he would be willing to discuss the matter again with Stern.

Stern stated he proceeded from New York to Washington, D. C., where he contacted Assistant Director Loveland of the Bureau of Prisons,

*(see background information)

**(Died March 24, 1948)

who gave his permission to visit D'Andrea in Leavenworth. Stern advised he may have talked to Judge Wilson, Parole Board member, concerning D'Andrea at that time, but if he did it was only briefly, since he does not recall speaking to him on this case at that time.

Stern stated his next move was to contact subject D'Andrea at the Leavenworth Penitentiary in December, 1945, with a view toward becoming acquainted with the subject and obtaining his views.

Stern's next contact on the case, according to him, was in March, 1946, when he contacted Parole Board members Wilson and Edward P. Reidy in Washington, D. C. He said that Wilson informed him D'Andrea would not be eligible for parole until July 7, 1947. Stern maintained he had miscalculated the time and was under the impression D'Andrea would be eligible for parole in July, 1946. Stern stated, therefore, that he had a very short discussion with the Parole Board since his contact was premature. Stern stated he was mistaken in his calculation since he computed the time from the date of the subject's conviction in 1943 rather than from the actual date of his entry on service of his sentence in 1944.

Stern advised he did nothing further on this case until sometime in July, 1946, when Attorney Shapiro telephonically advised him that D'Andrea had suffered two heart attacks at Leavenworth. Stern stated that on July 29, 1946, he wrote to Director Bennett of the Bureau of Prisons, Attention: Deputy Director Loveland, requesting that D'Andrea be transferred to the United States Medical Penitentiary at Springfield, Missouri, because of ill health. On August 8, 1946, Shapiro advised Stern that D'Andrea had had another heart attack and his condition was critical. Stern thereupon contacted George C. Dix, a New York attorney, requesting him to notify Judge Bright of D'Andrea's poor physical condition with a view toward having three years cut from the original ten year conviction. On August 9, 1946, Stern wrote Judge Bright advising of D'Andrea's condition and requesting a reduction in sentence. By letter of August 12, 1946, Judge Bright advised Stern he would not interfere at this time. Stern also stated that by letter to him dated September 11, 1946, James V. Bennett of the Bureau of Prisons advised medical examination of D'Andrea shows him in a convalescent status and not in need of a transfer.

Stern related that about November, 1946, Attorney Shapiro advised him that D'Andrea had developed a paralytic condition and that D'Andrea's wife had died in October of that year. Accordingly, on December 5, 1946, Stern conferred with Judge Bright again repeating his request for modification of sentence. Stern stated that during this interview he gained the impression that Judge Bright would write a favorable recommendation for D'Andrea when the proper time arrived because of existing extenuating circumstances.

On this same trip to New York in December, 1946, Stern indicated he contacted H. F. Wheerty in the United States Attorney's Office to discuss the entry of a nol pros of the mail fraud indictment then outstanding against D'Andrea, since his client would not be eligible for parole unless the indictment was dismissed. Stern stated Wheerty declined to give him a definite answer.

Early in May, 1947, after Attorney Shapiro had telephonically advised Stern that the indictment against D'Andrea had been dismissed, Stern communicated with the Office of the United States Attorney in New York City receiving confirmation of the entry of the nolle prosequi, by letter. This letter, Stern stated, he subsequently left with Parole Board member Wilson at the time of the hearing on D'Andrea's parole in June, 1947.

Payment of Fee: Stern received a fee of $7,000 for his actions on behalf of D'Andrea. Payment was made to him by Attorney Shapiro in Chicago. Stern advised that the first payment he received from Shapiro was on August 17 or 18, 1947, at which time Shapiro gave him two checks; one in the sum of $2,000 and the other in the amount of $1,751.77. The $2,000 check was made payable to Phil D'Andrea. It was dated August 15, 1947, drawn on the Mutual National Bank of Chicago by A. C. D'Andrea. This was apparently a personal check of the drawer. The endorsements on the check are Phil D'Andrea and Emanuel Stern.

The second check in the sum of $1,751.77 was made payable to Philip L. D'Andrea, was signed by A. C. D'Andrea and was dated August 15, 1947, being drawn on the Citizens Bank of Michigan City, Indiana.

Stern also advised that about September 11, 1947, he was paid $3500 more by Shapiro, this payment being by cashier's check, drawn on the Amalgamated Trust and Savings Bank of Chicago, Illinois. It was dated September 11, 1947. Both payments were made to Stern in Shapiro's office in Chicago. Stern explained that since his fee in the matter was $7,000, and since he had actually been paid $7,251.77 by Shapiro, he refunded to Shapiro $251.77.

3. SAMUEL M. SHAPIRO*

Samuel M. Shapiro, Attorney, Chicago, Illinois, advised that he has known D'Andrea for approximately twenty years, and that his wife's father and D'Andrea's father were brothers. Shapiro stated he does not handle any criminal cases but for many years has handled D'Andrea's civil matters.

*(see background information)

Shapiro stated he did not know the other four subjects in this case; that he did not personally retain Emanuel Stern on behalf of D'Andrea, but had suggested the retention of Stern to Tony D'Andrea, subject's brother, who he believed subsequently contacted Stern. He stated that Stern had been paid a fee of $7,000, made up of two payments, of $3,500 each. The original payment amounting to $3,500 was made, according to Shapiro, approximately a week after D'Andrea was paroled and was made at D'Andrea's home. Shapiro advised this payment consisted of two checks slightly in excess of $3,500, given by subject D'Andrea to Shapiro, who immediately turned them over to Stern. Shapiro stated he did not know who the makers of these checks were. According to Shapiro the second $3,500 payment made to Stern was derived as follows: $1,350 represented the balance in a trust fund account maintained by Shapiro for D'Andrea and roughly $2,000 was derived from the pawning of jewelry owned by D'Andrea. Shapiro stated that D'Andrea did not wish the fact to be known that he had to pawn his jewelry to pay a portion of Stern's attorney fees.

Shapiro advised that he knows of no irregularities in connection with the securing of the parole for D'Andrea or the other subjects. Shapiro also stated that D'Andrea could not have paid any substantial sum to secure his parole since he did not have sufficient money. He pointed out that while D'Andrea was incarcerated, due to lack of funds, it was necessary to allow a mortgage company to foreclose on a piece of property on Ashland Avenue in Chicago.

Anthony C. D'Andrea, cousin of subject D'Andrea, was interviewed on October 3, 1947, in San Francisco, California, where he was attending the convention of the American Federation of Labor as the president of the Hod Carriers' Union and the Building Laborers' Council of Chicago. (It will be noted that Anthony C. D'Andrea, the President of the Hod Carriers' Council of Chicago, Illinois, is subject D'Andrea's cousin; Newspapers have erroneously reported that he is subject D'Andrea's brother. Anthony T. D'Andrea is subject's brother.)

Anthony C. D'Andrea advised that he had given his cousin Philip D'Andrea, the subject, approximately $3,700 in checks - one for about $1,000 and a second for about $2,700. He said the checks were made to the order of Philip D'Andrea, the subject. He also stated that these checks constituted an outright gift from him to his cousin, who was in need of funds. He stated that he had also given him an additional $1,000 or more in cash. He denied that he had any knowledge of any irregularity in connection with the paroles in this case.

Anthony Thomas D'Andrea, brother of subject D'Andrea, advised that after consultation with subject's wife in 1945 concerning the possibility of

D'Ambrea's parole, he had solicited Attorney Shapiro for suggestions, and that the latter had suggested Stern of Fargo, North Dakota, be retained in this matter; that in November, 1945 he traveled to Fargo, North Dakota, to solicit Stern's services that Stern did not take the case until after he had discussed it with Shapiro early in 1946 in Chicago. Anthony D'Andrea said he did not sit in on this conference but later learned Stern was to receive $7,000 as his fee. He does not know what services Stern performed and he denied having any knowledge whatsoever as to any irregularities in connection with this matter.

4. EUGENE BERNSTEIN*

Bernstein was engaged to represent subjects Campagna and De Lucia as their attorney in connection with individual claims against them by the U. S. Government for deficiencies in income taxes covering a period of several years prior to their incarceration under the sentence for violation of the Anti-Racketeering Act.

As reflected elsewhere in this brief, under the caption "Visitors of Subjects While Incarcerated" Bernstein made several visits to subject De Lucia while he was incarcerated at Leavenworth, Kansas, and on most of these occasions he was accompanied by Anthony Accardo*, reported head of the Chicago underworld syndicate, who gained entry to the penitentiary as a visitor by posing as Joseph Bulger*, a Chicago attorney.

Bernstein also handled the settlement of the Government's income tax claims against De Lucia and Campagna receiving thousands of dollars of mysterious contributions from "unknown" individuals. This is also reflected elsewhere in this report under the caption "Income Tax Settlement as to Campagna and De Lucia."

Bernstein also arranged for the transportation of subjects De Lucia, Gioe and Campagna from Leavenworth to Chicago at the time of their release on parole. Bernstein stated he did this by virtue of his position as attorney for De Lucia and Campagna. When asked as to the form or means of transportation used, Bernstein flatly refused to discuss the matter. He also declined to furnish his reasons for this refusal. The significance of this is not known at this time, however, it is noted that all three of these subjects, Campagna, De Lucia and Gioe, maintained that they were driven from Leavenworth, Kansas, to Kansas City, Missouri, in a convertible sedan by Eugene Bernstein and an unknown individual who drove the car; that Bernstein and the subjects boarded a plane for Chicago at that point. All

*(see background information)

three subjects maintained they could not identify the individual who accompanied Bernstein.

On subsequent interview, Bernstein stated that the car used to transport the subjects from Leavenworth to the Kansas City Airport was driven by a casual acquaintance met by him the previous evening while he, Bernstein, was intoxicated. Bernstein still refused to name this individual.

5. JOSEPH IMBURGIO BULGER*

Bulger is an Attorney with offices at 139 North Clark Street, Chicago, Illinois. He is the individual referred to by Tribune reporter James Doherty as Joe Burge or Burgis, the person the former barber Robert Scelsse reportedly stated was involved in handling the money in connection with instant paroles. It will be recalled that Scelsse denied he had any knowledge whatsoever concerning this.

Bulger is also the individual whose name was signed to the visiting records at Leavenworth Penitentiary by Tony Accardo when the latter accompanied Attorney Bernstein to that Penitentiary to visit DeLucia and Campagna.

Bulger referred Accardo to Bernstein purportedly for the purpose of assisting Bernstein in his conversations with subject DeLucia with reference to the income tax claims of the Government against DeLucia.

Bulger was contacted by Special Agents of the Bureau on September 27, 1947, at which time he declined to make any statement concerning this matter. This was called to the attention of the Attorney General by memorandum dated October 16, 1947.

Bulger was subsequently reinterviewed, however, on October 20, 1947, at which time he did furnish limited information which is set forth subsequently in this report in connection with specific matters to which it relates. Generally, however, Bulger stated he had no knowledge of any irregularities or payments of money in connection with the obtaining of the paroles by the subject. He denied that he had taken any active part in assisting the subjects in obtaining their paroles.

6. SIDNEY KORSHAK*

Korshak is a Chicago lawyer. He is civil attorney for subject Charles Gioe, having handled many civil matters for Gioe, including details concerning the organization of Gioe's Beachcomber Restaurant and Gioe's divorce from his first wife. Korshak is also a social acquaintance of Gioe, both residing at the Seneca Hotel in Chicago.

*(see background memorandum)

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[redacted]

During the time Cice was incarcerated Korshak and his wife were very friendly with Cice's wife and daughter. Korshak stated that two or three years ago Cice's wife had requested him to sell some real estate owned by Cice and his wife, which was located at Antioch, Illinois; that in connection with this proposed sale Korshak visited Cice at Leavenworth Penitentiary on several occasions. Korshak stated while the sale of this property ultimately did not materialize, all of his visits to Cice in the penitentiary were in connection with this particular matter.

According to Korshak on the occasion of his last visit to Cice, which was in May, 1947, Cice requested Korshak to obtain individuals to write letters to the penitentiary stating they believed Cice could be rehabilitated in society since it was anticipated that Cice's application for parole would be considered in July. Korshak stated that he suggested to Cice that Harry Ash be Cice's parole supervisor, since Ash was Superintendent of Crime Prevention in the State of Illinois, and was an individual who should be above reproach because of his position.

Korshak stated he contacted Ash for this purpose and the latter agreed to act as parole advisor for Cice; that Ash executed forms to qualify for this position and definitely was established as Cice's parole advisor but had become frightened because of the adverse publicity into denying it. Korshak stated that Ash became frightened because of the influence exerted upon him by James Doherty, a reporter for the Chicago Tribune.

Korshak advised that he also contacted Lloyd Butler in regard to writing a letter on behalf of Cice, and that David Ziscok had telephonically contacted him about the advisability of writing a letter for Cice (Butler and Ziscok are Chicagoans who wrote letters to the U. S. Board of Parole urging parole be granted to subject Cice). Korshak said he advised both individuals it would be perfectly all right to write such a letter since it was common practice for prominent individuals to do so.

At the time subjects were transferred from the Atlanta Penitentiary to the Leavenworth, Kansas Penitentiary, Korshak stated he was in the armed service and that he did not know of these transfers until after they had been completed.

Korshak stated that he has only a speaking acquaintanceship with Campagna and De Lucia, and that he knows of no irregularities or money payments in connection with the paroles in this case. Korshak stated he has not been reimbursed for his visits to Cice while Cice was incarcerated. However, he expected some day he would be compensated for his expenses.

It will be recalled that Korshak is the individual who apparently brought the name of Bishop Sheil of the Archdiocese of Chicago into this case by mentioning to Harry Ash that the Bishop was interceding on behalf of subject Cice. This particular matter is treated elsewhere under the caption "Investigation re Original Allegations of Bribery in Granting of Paroles."

7. WILLIAM SCOTT STEWART*

Stewart represented all of the subjects in the appeal of their convictions on the Anti-Racketeering indictment. In this connection he visited the subjects while they were incarcerated.

Stewart on interview by Bureau Agents maintained that he played no part in securing the paroles of these men. He stated that he was asked to represent Charles Cice at the recent Congressional hearing, which he did.

Stewart stated that he knows of nothing irregular in the paroles of these men. Bureau investigation did not reflect that Stewart was active, other than as indicated above.

8. BURTON CHARLES CHESLER AND T. E. REIN

These Chicago, Illinois attorneys represented De Lucia in endeavoring to secure his release on bond between the time of De Lucia's sentence in 1943 and the time the appeal on his conviction would be decided by the Circuit Court of Appeals.

Chesler on interview stated that when bond was refused by the Circuit Court the services of Rein and Chesler were terminated. Chesler stated that he and Rein were hired for the above purpose by De Lucia upon reference from Edward Monaco of Oak Park, Illinois, an acquaintance of De Lucia who knew that Rein was an excellent trial attorney.

One Dr. Morris Lev of Chicago, who is discussed subsequently in this report, wrote a letter to the Parole Board on behalf of subject

*(see background information)

De Lucia. He did so at the suggestion of Attorney Chesler. Chesler advised he had asked Lev to write such a letter upon request of either De Lucia's wife or Edward Monaco, Oak Park, Illinois, friend of De Lucia. (Interview with Monaco is subsequently recorded under the caption, "Miscellaneous.")

During the recent Congressional hearings in Chicago, T. E. Rein again represented De Lucia. Chesler stated that he has no knowledge of any irregularity in connection with the securing of the paroles.

T. E. Rein is associated with the law firm of Perlman, Goodman, Hecht and Chesler. Rein advised he was asked by Chesler and Edward Monaco, real estate broker, to represent De Lucia for the purpose of securing a bond for De Lucia between the time of the sentencing of this subject in the original trial and the time that the Court of Appeals would render a decision. Rein was advised by Chesler and Monaco that De Lucia was suffering from diabetes as well as injuries sustained in an elevator accident, and that efforts made up to the date his services were secured to obtain his release on bond had failed. Rein stated he checked into the matter first talking to Mrs. De Lucia and later in company with Monaco visited De Lucia in Atlanta, Georgia. Rein stated medical affidavits were received by him verifying that De Lucia was suffering from diabetes, and that one such affidavit was secured from Dr. Morris William Lev (one of De Lucia's sponsors).

Rein stated the sole purpose of his visit to Atlanta was in connection with representing him in securing the bond; that his efforts in this respect were unsuccessful. Rein advised he had no further contact with the case until recently he was importuned by Chesler to represent De Lucia at the Congressional hearing; that he did so only after assuring himself in so far as was possible that there was nothing irregular in connection with the obtaining of the paroles. In this connection Rein stated he questioned De Lucia closely concerning Paul Dillon and that the subject had told him he did not know Dillon, had not retained him, and had not paid him any money. Rein stated that he knew of no money being paid to anyone to secure the paroles of the subject, nor did he know of any other irregularities in connection with the paroles.

After testimony was heard at the Congressional hearing from subject Campagna and Attorney Eugene Bernstein concerning the mysterious collection of moneys by Bernstein for payment of tax assessments against De Lucia and Campagna, Rein stated that he called a conference with De Lucia, Chesler, and Monaco, at which De Lucia maintained that he actually did not know who had paid money to Bernstein on his behalf. De Lucia, according to Rein, stated that it was his opinion that the same individuals who helped raise bond in the original case in the Southern District of New York,

contributed the money for the income tax settlement. Rein stated during the Anti-Racketeering trial that $500,000 in cash bonds had to be raised for the defendants and that money for these bonds came from all parts of the country.

De Lucia explained to Rein that he was in an awkward position in so far as attempting to find out who had contributed this money since one of the provisions of his parole was that he was not to associate with persons of undesirable character and not to converse with or associate with other parolees.

Further discussion is had concerning the raising of the $500,000 cash bond for the subjects subsequently in this report under the caption "Income Tax Settlements as to Campagna and De Lucia."

VISITORS OF SUBJECTS WHILE INCARCERATED

* * * * * *

VISITORS OF SUBJECTS WHILE INCARCERATED

REGULATIONS RE VISITORS:

Mr. Frank Loveland, Assistant Director, Bureau of Prisons, advised that regulations pertaining to visitors have been provided by an enabling statute which empowers the Director of the Bureau of Prisons to make rules and regulations for the proper administration of penal institutions and that such rules and regulations are in effect law. Pursuant to this authority the Bureau of Prisons on May 20, 1936, issued a set of rules concerning the government and discipline of the penal institutions. Rule 50 provides generally that ordinary members of the family and attorneys are the only persons who may visit inmates of penal institutions but that others may be allowed in the prisons for special reasons. The wardens of the various penitentiaries are empowered to pass upon these special reasons and approve visits by others and they may in their discretion delegate this authority to any associate warden or to the classification or parole officer of the particular penitentiary. With regard to attorneys, the general procedure is that any attorney will file application to visit a particular prisoner and the prisoner is then required to stipulate that the applicant is his attorney.

VISITORS:

A review of the visitors' records maintained at each penal institution where the subjects were incarcerated reflects that their visitors consisted, in the main, of close relatives of the subjects or attorneys representing the subjects in connection with one phase or another of their various legal problems. Those visitors not falling within this category were comparably few and as is subsequently indicated they were interviewed with negative results.

VISITS TO CAMPAGNA AND De LUCIA BY ANTHONY ACCARDO:

The only significant information developed as to visitors is that it has been definitely determined Anthony Accardo, reputed Chicago hoodlum, on several occasions visited Campagna and De Lucia at Leavenworth Penitentiary representing himself as Joseph Bulger, Chicago attorney. (The Joseph Imburgio Bulger, previously mentioned). He signed the visitors record in Bulger's name and on these visits he accompanied Eugene Bernstein, Chicago attorney.

There is attached a photostatic copy of a transcript of the Visitors Record maintained at the United States Penitentiary in Leavenworth, Kansas which reflects visits of Bernstein and "Bulger" (actually Accardo) to subjects Campagna and De Lucia. (EXHIBIT 29)

This transcript reflects the following data:

RE: LOUIS CAMPAGNA AND PAUL De LUCIA

DATE	VISITOR	RELATION
September 4, 1945	Eugene Bernstein	Attorney
September 4, 1945	Joseph Bulger	Attorney
October 18, 1945	Eugene Bernstein	Attorney
October 18, 1945	Joseph Bulger	Attorney
December 6, 1945	Eugene Bernstein	Attorney
December 6, 1945	Joseph Bulger	Attorney
January 15, 1946	Eugene Bernstein	Attorney
January 15, 1946	Joseph Bulger	Attorney
April 29, 1946	Eugene Bernstein	Attorney
April 29, 1946	Joseph Bulger	Attorney
July 22, 1946	Eugene Bernstein	Attorney
July 22, 1946	Joseph Bulger	Attorney
November 6, 1946	Eugene Bernstein	Attorney
November 6, 1946	Joseph Bulger	Attorney
March 6, 1947	Eugene Bernstein	Attorney
March 6, 1947	Joseph Bulger	Attorney
May 8, 1947	Eugene Bernstein	Attorney
May 8, 1947	Joseph Bulger	Attorney
June 23, 1947	Eugene Bernstein	Attorney
June 23, 1947	Joseph Bulger	Attorney
July 21, 1947	Eugene Bernstein	Attorney

From the above, it will be observed that "Bulger" (actually Accardo) visited Campagna and De Lucia on ten different occasions between September 4, 1945 and June 23, 1947.

Through exhibition of a photograph of Anthony Accardo, Accardo has been identified by several of the Correctional Officers at the visiting room, Leavenworth Penitentiary, as identical with the "Joseph Bulger" who visited at the Penitentiary.

EUGENE BERNSTEIN,* Chicago attorney advised that he represented Campagna and De Lucia in connection with the settlement of income tax claims against the subjects by the United States Government. Bernstein stated the purpose of his visits to the subjects in the penitentiary was to confer with them relative to the income tax claims against them. He advised that on practically all of his visits he was accompanied by Anthony Accardo. He explained that Accardo was familiar with De Lucia's income tax situation and was also able to assist Bernstein in his interviews with De Lucia since the latter speaks broken English and Bernstein found it difficult to converse with him.

Bernstein advised that prior to his visits to Leavenworth Penitentiary he had asked Joseph Imburgio Bulger, Chicago attorney, to recommend an individual familiar with De Lucia's income tax situation who could accompany him on his visits; that Bulger had referred Accardo to him for this purpose. Bernstein maintained that he had received written prior authorization as to his visits from the Warden at Leavenworth Penitentiary, and that this authority included permission for a friend to accompany him. Photostatic copies of this correspondence have been obtained. Pertinent copies are attached. (EXHIBIT 30)

It is to be noted in connection with this correspondence that Bernstein in writing to the penitentiary does not at any time mention the name of the friend for whom he requests authorization for visit; however, in the replies from Leavenworth Penitentiary to Bernstein, after Bernstein's first few visits, the warden makes subsequent mention of the name Joseph Bulger, advising that authorization for his visits together with that of Bernstein is granted. Bernstein denied that he had noticed Bulger's name mentioned in any of this correspondence from the penitentiary.

Bernstein also denied that he knew that Accardo used the name of Bulger in signing the prison record register. In this connection it is to be noted that on the occasion of each visit Bernstein signed the prison register first with Accardo signing the name "Joseph Bulger" in the space immediately below that signed by Bernstein. The only instance where Bernstein's name appears on the visitors record after that of Bulger's is on July 21, 1947, the date of Bernstein's last visit to the penitentiary. He was not accompanied by anyone at this time. Previously he and Bulger had visited the penitentiary

* (See background memorandum)

on June 23, 1947, on which occasion Bernstein signed the registry first, "Bulger's" name following in sequence. Campagna and De Lucia had no visitors between June 23, 1947 and July 21, 1947 and as indicated in the tabulation set forth about Bernstein, in signing the visitors record on July 21, 1947, signed his name beneath that of "Joseph Bulger" the last entry on the visitors record.

Under questioning Bernstein was unable to furnish a concrete explanation of any assistance rendered by Accardo during the interview with De Lucia, at the penitentiary. It will also be noted that while the alleged purpose of Accardo's visits was to assist in connection with the income tax case against De Lucia that final settlement of the income tax claim was made on October 11, 1946 and that Accardo visited the penitentiary with Bernstein on three occasions subsequent to that date. When questioned on this point, Bernstein explained these latter visits of Accardo had to do with De Lucia's current income tax problems as distinguished from the income tax claims involved in the settlement made in October.

Subject Cox denied any knowledge of the visits made by Bernstein and Accardo.

Investigation by the Bureau did not disclose that any Federal official was bribed to permit the visit of Accardo to Leavenworth Penitentiary.

The facts concerning Accardo's visits to Leavenworth under an assumed name were subsequently brought to the attention of the Attorney General by memorandum dated October 21, 1947, in order that consideration might be given to determining whether or not Accardo and/or Bernstein had committed an offense cognizable under Federal law.

GENEVA COX, Bernstein's secretary advised she handled Bernstein's correspondence with Leavenworth Penitentiary as a routine matter. She too denied ever observing the name of Joseph Bulger in this correspondence. It will also be noted as will subsequently appear that Miss Cox supported Bernstein in his contentions concerning the mysterious contributions made by unknown individuals of thousands of dollars for use in settling the income tax claims against Campagna and De Lucia.

LOUIS CAMPAGNA, subject, admitted to the FBI on interview that he was visited several times by Bernstein in connection with the income tax matter. He stated that Attorney Bulger had never accompanied Bernstein on these

visits but that Anthony Accardo had appeared with Bernstein quite often, although Campagna himself had no business with Accardo. He stated that Accardo accompanied Bernstein to assist in the discussions with DeLucia. He denied that he knew Accardo had signed the visitors register in the name of Bulger.

PAUL DeLUCIA, subject, confirmed Bernstein's statement as to the interest of Accardo in his income tax problems. He advised that Accardo accompanied Bernstein on each of the latter's visits to Leavenworth Penitentiary. He denied knowing that Accardo signed the visitors register as Joseph Bulger.

JOSEPH AMBROSIO BULGER, Chicago, Illinois attorney when first contacted by Bureau agents refused to make any comment concerning this matter. On subsequent interview, however, he advised that Bernstein had originally contacted him requesting assistance in the tax matter of Paul DeLucia. Bulger stated he did not feel he could be of any assistance personally so he contacted Anthony Accardo advising him that Bernstein needed assistance in determining the financial affairs of DeLucia. Bulger said he was unable to state from actual knowledge as to what action was then taken by Accardo and that he did not know until the recent publicity given this matter that Accardo had actually visited the penitentiary with Bernstein or that Accardo had used his name in registering. Bulger maintained that he did not authorize Accardo to make such use of his name. He also stated that he himself did not visit the penitentiary with Bernstein.

ANTHONY ACCARDO*, was located after considerable difficulty for interview in connection with this matter. He declined to discuss this matter in any way. This was called to the attention of the Attorney General by memorandum dated October 21, 1947.

ADDITIONAL DATA RE BERNSTEIN AS VISITOR:

At the conclusion of Bernstein's first visit to Leavenworth Penitentiary he shook hands with the escorting penitentiary employee, Chauncey Bishop, thanked him for his courtesy, and placed a rolled piece of currency in Bishop's hand. This unknown sum of money was returned to Bernstein by Bishop who advised he could not accept any gratuity. This incident was thereafter reported to the warden. Warden Hunter advised he vaguely remembers Officer Bishop discussing an incident relative to an offer of money, but he does not recall the full details. The files at Leavenworth do not reflect any information concerning this incident.

PROSECUTIVE ACTION

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*(See background memorandum)

OTHER VISITORS

JOSEPH ROGERS

Penitentiary records reflect that Joseph Rogers, a friend, visited Charles Gioe January 27, 1947, at Leavenworth. Investigation disclosed that Rogers committed suicide September 20, 1947. Rogers, until May, 1947, operated the Rogers' Corners Night Club, 251 Eighth Avenue, New York City. Gioe explained that Rogers' visit was in connection with the possible lease or sale of Rogers' restaurant in New York City. Originally Gioe advanced $5,000 to Rogers to begin his restaurant operations and was part owner of Rogers' Corners.

FRANCIS CURRY*

The penitentiary records at Leavenworth reflect Mr. Francis Curry, reputed gambler and racketeer of Joliet, Illinois, visited Paul De Lucia October 19, 1945. Curry advised that during De Lucia's incarceration he rented the subject's 1100-acre farm in Kendall County, Illinois. He indicated the purpose of his visit to De Lucia was in connection with business matters arising from the farm's operation. Curry also wrote to the Parole Board on behalf of De Lucia.

I. A. RUMAN

I. A. Ruman of Los Angeles, California, insurance agent and friend of Roselli, visited Roselli April 2, 1947, at the Federal penitentiary, Terre Haute, Indiana. Ruman was on the list of persons with whom Roselli was permitted to correspond. At the time of his visit to Roselli, the latter's application for parole was discussed. Ruman denied any connection with securing Roselli's parole. Ruman subsequently enabled Roselli to obtain an apartment in Los Angeles after his release.

MISCELLANEOUS PERSONS

The visitors' records relating to Philip D'Andrea reflect that he was visited on one occasion by Sergeant Anna Macey. D'Andrea identified her as a girl whom he raised, although she is not his legally adopted daughter. One Lena Panozzo visited him on two occasions at Springfield. This individual is a friend and was D'Andrea's secretary while he was president of the Italo-American National Union. Interview with Panozzo is set forth subsequently under the caption "Miscellaneous".

*(see background memorandum)

According to Chicago newspaper reports, Jack Guzik, reported successor to Capone, visited his constituents; i.e., the subjects of this case, during their incarceration. The examination of prison visit records and Bureau investigation fail to reflect that Jack Guzik did in fact visit with any of the subjects during their incarceration. Jack Guzik was interviewed and denied making any visits to the subjects while they were incarcerated.

A confidential informant of the Chicago Office, [redacted], advised in August, 1947, b7D that Murray Humphries, a Chicago syndicate leader, visited Paul De Lucia on several occasions at the penitentiary, Atlanta, Georgia. The name of Joseph Bulgar, attorney, was allegedly used. This information has not been substantiated through interviews with Humphries, subject De Lucia, or any of the penitentiary officials or employees at Atlanta, Georgia. This information was furnished to the Bureau of Prisons promptly upon receipt at the Bureau.

UNITED STATES IMMIGRATION OFFICERS

The penitentiary records reflect that each of the subjects in this case was visited shortly after his incarceration at the Atlanta penitentiary by United States Immigration Officers. It was ascertained that the purpose of these visits was routine, that each prison inmate is contacted shortly after incarceration, and that the purpose of the contacts of the subjects in each case was to ascertain their citizenship status. All subjects are U. S. citizens.

OTHER INTERESTED PARTIES

The Bureau of Prisons records reflect a telephone call by Representative John J. Rooney (D., NY) who called to obtain permission for a friend to visit Louis Campagna. Congressman Rooney spoke personally to Director James V. Bennett of the Bureau of Prisons in an effort to have one of the Parise brothers, a political constituent of Brooklyn, see Campagna. In the conversation Director Bennett suggested that perhaps Campagna would not desire to see the visitor because of his pending parole case and the Congressman thereupon requested Mr. Bennett to forget about the request. There is no indication to date that any of the Parise brothers visited Campagna. Rooney when interviewed stated that the above action was taken by him only because they were political constituents.

The Bureau of Prisons records reflect that Congressman Thomas J. O'Brien (D., Ill.) requested by letter permission for Jack Kearns and Colonel

Charles Barrett to visit subject John Roselli at Terre Haute, Indiana. Congressman O'Brien recalled receiving a letter from Kearns requesting that he attempt to arrange for the visit. O'Brien denied knowing Kearns or Colonel Barrett and has no personal knowledge of either except that which he has seen in newspapers regarding Kearns' fight promotions.

Kearns advised he contacted Roselli once in Terre Haute, Indiana, purely for personal and friendly purposes. Colonel Barrett was unable to accompany Kearns on this visit. The Terre Haute Penitentiary records reflect a visit by Kearns to Roselli on May 21, 1947.

COLONEL MATT COOPER of 3401 Pinkney Road, Baltimore, Maryland, advised he contacted Director James V. Bennett, U. S. Bureau of Prisons, to arrange an interview for Joseph Rogers with Charles Gioe. Cooper handled this matter by telephone with Mr. Bennett. Cooper indicated acquaintance with Joe Rogers at Rogers' Corners Restaurant. A summary of Joseph Rogers' visit with Charles Gioe appears above. Joseph Rogers' visit with Gioe was in connection with the possible lease or sale of Rogers' restaurant in New York City.

All persons interviewed in connection with the visitors of subjects while they were incarcerated denied they had any knowledge concerning any irregularities concerning the parolee.

INTERVIEW WITH PAROLE ADVISORS, PROSPECTIVE EMPLOYERS AND PERSONS WHO INTERESTED THEMSELVES IN SUBJECT'S' PAROLES

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INTERVIEWS WITH PAROLE ADVISERS, PROSPECTIVE EMPLOYERS AND INDIVIDUALS WHO INTERESTED THEMSELVES IN SUBJECTS' PAROLES

LOUIS CAMPAGNA

1. The parole plan approved for Campagna provided:

a. Residence - 2937 South Maple Avenue
Berwyn, Illinois

b. Employment - Self-employed, operating two farms owned by him at Fowler, Indiana, and Berrien Springs, Michigan

c. Parole adviser - Dr. Walter Lawrence
743 Thatcher Avenue
River Forest, Illinois

Dr. Walter Lawrence was interviewed at 6400 West Cermak Road, Berwyn, Illinois, and advised he had been the Campagna family physician for fifteen years. Dr. Lawrence stated that he agreed to act as parole adviser for subject Campagna after being requested to do so by subject's wife. Dr. Lawrence readily admitted that he has professionally served the family of subject Paul De Lucia, as well as the family of Tony Accardo, well-known underworld character. Dr. Lawrence had no information concerning any bribery or irregularity in connection with the parolee in this case.

2. The following individuals wrote letters to the U. S. Board of Parole urging that parole be granted to Louis Campagna. They have all been interviewed by Bureau Agents and deny possessing any information concerning bribery or any other irregularities in the granting of parole to Campagna or his co-subjects. These individuals assert that action was taken by them to aid Campagna because of personal friendship, family relationship, or being in a position of spiritual adviser. In all cases they advised that no coercion or duress was used in order to induce them to write letters in behalf of Campagna's parole. These individuals have no local criminal records in the communities where they reside and no derogatory information is readily available to the Bureau's field office covering their residence. It has likewise not been possible to identify them in the files of the Bureau on the basis of the identifying data available concerning them.

Reverend M. A. Canning
Pastor, St. Ferdinand's Church
3116 North Marmora Avenue
Chicago, Illinois

Guy F. Heim, Insurance Agent
312 Main Street
Berrien Springs, Michigan

Michael J. Romano, Manager
Morand Brothers Beverage Company
818 South Hoy Street
Chicago, Illinois

John F. Svitak, Automobile Dealer
2931 Maple Avenue
Berwyn, Illinois

Sam Manini, President and Treasurer
Rock Road Construction Company
5915 North Rogers Avenue
Chicago, Illinois

Martin Hans, President
Burton Auto Springs Corporation
2433-41 West 48th Street
Chicago, Illinois

L. E. Lucas
Editor and Publisher
The Journal-Era
Berrien Springs, Michigan

Domenick J. Sibilano, President
Sibilano Furniture Company
5541-43 West Belmont Avenue
Chicago, Illinois

PHILIP LOUIS D'ANDREA

1. The parole plan as approved for D'Andrea provided:

   a. Residence - 511 Beckwith Street
      Crete, Illinois

   b. Employment - Vegetable inspector for
      James H. Ferraro, General Manager and Secretary
      Krispy Klean Vegetable Company
      139 South Water Street
      Chicago, Illinois

   c. Parole adviser - John Tiberi, Owner
      Allied Construction Company
      10354 South Bell Avenue
      Chicago, Illinois

No derogatory information concerning Ferraro and Tiberi was contained in the Bureau's files. Both were interviewed and could furnish no information indicating

that there had been any bribery or other irregularity in connection with the granting of parole in this instance, nor could they furnish any information with reference to the granting of paroles to the other subjects. Neither Ferraro or Tiberi have a local criminal record.

2. The following individuals wrote letters to the U. S. Board of Parole urging that parole be granted to Philip Louis D'Andrea. They have all been interviewed by Bureau Agents and deny possessing any information concerning bribery or any other irregularities in the granting of parole to D'Andrea or his co-subjects. These individuals assert that action was taken by them to aid D'Andrea because of personal friendship, family relationship, or being in a position of spiritual adviser. In all cases they advised that no coercion or duress was used in order to induce them to write letters in behalf of D'Andrea's parole. These individuals have no local criminal records in the communities where they reside and no derogatory information is readily available to the Bureau's field office covering their residence. It has likewise not been possible to identify them in the files of the Bureau on the basis of the identifying data available concerning them.

Samuel M. Hamm, Manager
Lincolnshire Estate, a Subdivision
7205 Exchange Avenue
Chicago, Illinois

James R. Hugarty, Salesman
Mack Truck Company
3520 W. 62nd Place
Chicago, Illinois

Frank E. Svoboda
District Sales Manager
International Harvester Company
611 West Roosevelt Road
Chicago, Illinois

Engr. Michael H. Abraham
Catholic Bishop
Sacred Heart Church
Michigan City, Indiana

Rev. John J. Rengel, Pastor
Immaculate Conception Catholic Church
3111 South Aberdeen Street
Chicago, Illinois

Rev. Angelo Della Vecchia, Pastor
St. Marys of Mt. Carmel Church
Chicago, Illinois

Charles S. Baer, M.D.
11 East 34th Street
Steger, Illinois

In addition, Santo Garofala, Secretary-Treasurer, of the Garofala Company, 103-105 South Water Market, Chicago, Illinois, wrote a letter urging that parole be granted to D'Andrea. Upon interview, Mr. Garofala indicated that he too wrote this letter out of friendship for subject and denied knowledge of any bribery or other irregularity in the parole. It is observed that Garofala was arrested by the Chicago Police Department on June 14, 1936, on a larceny charge which was subsequently discharged.

PAUL DE LUCIA, with aliases,
better known as Paul Ricca

1. The parole plan for subject De Lucia provided:

a. Residence - 812 North Lathrop Avenue
River Forest, Illinois

b. Employment - Self-employed, operating a farm owned by him at Big Grove, Illinois

c. Parole adviser - Reverend C. Marrano, Assistant Provincial Director of the Victorian Fathers
6219 Sheridan Road
Chicago, Illinois

The Reverend Marrano was interviewed by Bureau Agents in Chicago and advised he has known the De Lucia family for a number of years. He knew nothing of subject's criminal background until recent newspaper publicity appeared concerning it. He stated he did not intend his letter to the Parole Board to be a request for parole but merely advice to that board concerning his knowledge of subject. He denied being coerced into writing the letter or being promised any reward. He had no information concerning any bribery or irregularity in the granting of this parole.

2. F. J. Curry, 516 Western Avenue, Joliet, Illinois, communicated with the Board of Parole by letter urging that parole be granted to subject De Lucia. Curry indicated in his letter that he was managing De Lucia's farm while the latter was in prison. The author of this letter is apparently identical with Francis Jerome Curry, who, according to information made available by the Joliet Police Department, has a reputation of being a hoodlum, who is all-powerful in Joliet. Curry is alleged to be a protege of Eddie Vogel, a notorious Chicago hoodlum. According to the Joliet Police Department, Curry has operated several bookmaking establishments in Joliet and services those through a racing wire service which he maintains under the name, "The Clinton Publishing Company". According to information made available by the Chicago Police Department, Curry's farm near Joliet, Illinois, is used by Anthony Accardo and other members of the underworld syndicate as a hideout when conditions in Chicago necessitate their leaving that city. It has been reported on several occasions that Curry has been in contact with such individuals as Meyer Lansky, Paul Lansky and Dan Stromberg, well-known New York underworld characters. In connection with the investigation of the Bremer kidnaping case, it was ascertained in January, 1935, from Matt Zarach, owner of the Riverside Tavern, Aurora, Illinois, that Volney Davis, who was a fugitive in that case, had apparently gone to Joliet to contact Francis Curry. Information has been published in the Joliet Herald-News reflecting Curry's arrest by the Police Department in Joliet on three occasions between 1920 and 1927. The files of the Joliet Police Department, however, fail to substantiate this.

Curry, upon interview, stated that the idea of money being paid in connection with the paroles of these individuals "is foolish"; that "the whole thing is a fairy tale", but despite a specific question, declined a more direct response.

3. In addition to Curry, the following individuals wrote letters to the U. S. Board of Parole urging that parole be granted to Paul De Lucia. They have all been interviewed by Bureau Agents and deny possessing any information concerning bribery or any other irregularities in the granting of parole to De Lucia or his co-subjects. These individuals assert that action was taken by them to aid De Lucia because of personal friendship. In all cases they advised that no coercion or duress was used in order to induce them to write letters in behalf of De Lucia's parole. These individuals have no local criminal records in the communities where they reside and no derogatory information is readily available to the Bureau's field office covering their residence. It has likewise not been possible to identify them in the files of the Bureau on the basis of the identifying data available concerning them.

Curtis W. Vilas
Author and Publisher
Post Office Box 108
Sarasota, Florida

James Luperi
Sales Manager and Assistant Treasurer
Hall Oil Company
5919 Rogers Avenue
Chicago, Illinois

Morris W. Lev, M.D.
104 South Michigan Avenue
Chicago, Illinois

Timothy Minear
Fireman, Chicago Fire Department
3419 Van Buren Street
Chicago, Illinois

CHARLES GICE

1. The parole plan for subject Gice provided:

a. Residence - Jensen Hotel
200 East Chestnut Street
Chicago, Illinois

b. Employment - Salesman for P. L. Mann, Consolidated Wire and Associated Companies, 1635 South Clinton Street, Chicago, Illinois

Tribune that Ash would have to resign as Superintendent of the Division of Crime Prevention; that Maxwell called Doherty, who in turn telephoned Ash. According to Kerahak, Doherty told Ash he should resign. Dan Maxwell, City Editor and Assistant Manager of the Chicago Tribune, denied ever having discussed the resignation of Ash with Governor Green. James Doherty advised that Ash originally denied to him that he was to be parole advisor for Cice. Subsequently, Doherty stated he learned Ash had actually submitted a letter to the Parole Board soliciting an appointment as parole advisor. Doherty said that, in view of the fact that Ash had lied about the situation, he suggested to him that he submit his resignation so that no further embarrassment to Governor Green would result. It is noted that Ash upon interview stated that he had never acted in the capacity of parole advisor in either a federal or local capacity prior to the time he offered to act as such for subject Cice. He did state that, in his capacity as Superintendent of the Illinois Crime Prevention Department, he had the general responsibility of supervision of paroless from penal institutions of the State of Illinois. It is noted that Ash also advised that his brother, David Ash, formerly distributed punchboards and pinball machines in Chicago but discontinued this when the distribution of such items was prohibited by Mayor E. J. Kelly. David Ash currently operates a novelty company on Chicago's near west side.

It is noted that Ash's connection with other phases of this investigation is developed elsewhere in this report.

With reference to P. L. Mann, the prospective employer of subject Cice, it is noted that his full name is Paul Leeming Mann. According to information made available by the Mercantile National Bank of Dallas, Texas, in 1946, it was noted that Marcus Lipsky, Chicago gambler and associate of underworld characters negotiated a loan at that time depositing two checks in the amount of $50,000 each made payable to him and signed by Mann. Lipsky said at that time Mann was to be his partner in coin machine operations in the southwest. Lipsky was taken into custody by the Shreveport, Louisiana Police Department on August 28, 1946. When questioned at that time he admitted that Paul Mann had financed everything he had been connected with or had purchased, and said he was indebted to Mann at that time in the amount of $87,000. Lipsky, admitting his own extensive gambling interests, said that Mann had also financed James Weinberg, a Chicago underworld character, in practically all of his deals.

Information received at the Scott Hotel in Dallas, Texas, revealed that a large number of Chicago hoodlums maintained a suite of rooms there and that Paul Mann was a guest in this suite, along with such well-known Chicago underworld characters as Jack Cusik, Eddie Vogel and Ralph Capone.

2. Among those individuals writing letters to the Board of Parole urging that favorable consideration be given to a parole request by subject Cice is a letter from Lloyd J. Butler, diamond broker, 133 North Clark Street. Investigation concerning Meyer Gordon, notorious jewel fence in Chicago, revealed a contact on May 7, 1947 by Lloyd J. Butler. Investigation concerning one Robert C. Nelson, Sr., a known jewel fence from New York, revealed he was in contact with the Prudential Loan Company, operated by Lloyd J. Butler, on several occasions while Nelson was in Chicago in April, 1947. It was also learned that

c. Parole adviser - Louis J. Pelton
210 East Chestnut Street
Chicago, Illinois

P. L. Mann, Louis J. Pelton, as well as others interested in Cice's parole, were interviewed by Bureau Agents and denied knowledge of any bribery or other irregularity.

It appears that the parole adviser for Cice is identical with Louis Jacob Pelton, who entered the U. S. Army in 1942. During the course of Pelton's military service, an investigation was conducted by Army authorities. This investigation disclosed that Pelton was indicted by a Cook County, Illinois Grand Jury on December 3, 1925, being charged with four counts of kidnaping. These charges were subsequently nol-prossed. The Army investigation further revealed that Pelton was well informed as to leading underworld characters. He was an outstanding salesman of yeast and, according to the Army report, had many bootleggers for customers during the prohibition era. He organized a bakers' union which he ruled with an iron hand until he began military service. An anonymous communication received by the Bureau in connection with the kidnaping charge against Pelton in 1925 indicated that prosecution had not gone forward because of fear by witnesses and acts of intimidation against them. Inasmuch as the matter was outside our jurisdiction, there was no occasion to investigate the matter further.

Originally, Cice's parole adviser was to be Harry A. Ash, Superintendent of the Division of Crime Prevention of the State of Illinois. A notation in the Board of Parole file indicates that because of unfavorable publicity in the Chicago newspapers Ash asked that his name be withdrawn as parole adviser for Cice.

It is noted that Ash communicated with the U. S. Board of Parole by letter dated May 3, 1947, recommending subject Cice for parole and stating that he would be very willing to assist in his rehabilitation if parole was granted. Subsequently, by letter dated May 27, 1947, Ash addressed a letter to Mr. D. L. Yeagley, Supervisor of Classification and Parole at Leavenworth Penitentiary, stating that he would gladly act as parole adviser for Cice and asking that an exception be made to the rule that an attorney is not allowed to act as parole adviser.

Ash testified concerning his volunteering to act as parole adviser for Cice at the Congressional Subcommittee hearing on this matter held at Chicago on September 26, 1947. In this connection, Sidney Korshak advised that the evening prior to this Subcommittee hearing he and James Doherty, the Chicago Tribune reporter, had talked to Ash concerning his testimony. On October 16, 1947, Ash requested an interview at the Chicago Office of the FBI. At this time he advised that he had resigned his position as Superintendent of the Division of Crime Prevention of the State of Illinois voluntarily and that he had not been asked to resign by anyone. In this regard it is noted that Sidney Korshak, when interviewed, advised that James Doherty had told him that Governor Green of Illinois telephonically advised an individual named Maxwell of the Chicago

Nelson was dissatisfied in not having heard from Butler concerning a package which he had sent him during April, 1947. Butler had been known to deal in stolen diamonds and jewelry. He allegedly was a very close friend of Joseph David Welcher, confidant and right-hand man of Meyer Gordon.

F. L. Mann and Lloyd J. Butler were interviewed by Bureau Agents and both denied possessing any information to the effect that any bribery or other irregularity was involved in the granting of a parole to Charles Gioe or any of the other subjects.

3. In addition to letters from the individuals noted above, the following individuals wrote to the U. S. Board of Parole urging that parole be granted Charles Gioe:

David Zisook
Insurance Agent
100 West Monroe Street
Chicago, Illinois

Albert B. Turner, Manager
Turner Brothers Clothing Company
1300 East 48th Street
Chicago, Illinois

David Zisook when interviewed stated that he had written a letter at the request of Gioe's wife. Zisook indicated he had known Gioe from the time when Gioe operated a restaurant on East Walton Street in Chicago.

Albert B. Turner stated that he wrote a letter likewise at the request of Gioe's wife, adding that he had known Gioe and his brother for a number of years as customers in his clothing store.

Both Zisook and Turner denied knowledge that there had been any bribery or irregularity in connection with the parole for Gioe and the remaining four subjects. Both advised that they had written the letters freely and without any coercion being exercised. Neither Zisook or Turner has any local criminal record in Chicago nor is any derogatory information concerning them readily available to the Bureau's field office there. It has likewise not been possible to identify them in the files of the Bureau on the basis of the identifying data available concerning them.

JOHN ROSELLI

1. The parole plan for subject Roselli provided:

a. Residence - Apartment to be rented for subject by a friend, I. A. Human, Insurance Agent, 215 West 5th Street, Los Angeles, California

b. Employment - Assistant Purchasing Agent for Mr. Bryan Foy,
Eagle Lion Films, 7324 Santa Monica Boulevard,
Los Angeles, California

c. Parole adviser - Father Joseph Thompson
218 East 12th Street
Los Angeles, California

Father Joseph Thompson advised he is automatically appointed parole adviser for any Catholic individual placed on parole in the Los Angeles area. He said this is an automatic procedure and that he did not know Roselli at all prior to the time that he was named his parole adviser. When interviewed, Father Thompson stated he had talked to Roselli on only two occasions, the interviews taking place between the 1st and 5th of each month. This is approximately the same time that Roselli reports to the probation officer.

James Steinberg, M.D., 500½ South Brande, Los Angeles, was originally selected as parole adviser for Roselli. Dr. Steinberg stated that he accepted this responsibility at the request of Beatrice Ann Frank, Roselli's fiance. The doctor stated that he completed the necessary forms but was advised a few weeks ago by Roselli that a Catholic priest, Father Joseph Thompson, had been substituted as his parole adviser. Dr. Steinberg said that to his knowledge no pressure had been brought concerning Roselli's parole.

2. Interviews were also conducted with Beatrice Ann Frank, also known as Ann Corcoran, fiance of subject, and N. A. Human, who was to rent an apartment for subject. Human stated that he is a close friend of Roselli, having known him socially since 1930 or 1931. Both Human and Miss Frank denied knowledge concerning any irregularities in the granting of parole for subject. Both indicated that their activities had been based upon their friendship for him.

3. Bryan Foy, who was to employ subject on his release from prison, was contacted and stated that he had been acquainted with Roselli for several years. Foy indicated that he had offered subject a job, being requested to do so by subject's fiance. Foy denied that there had been any pressure exerted on him to give Roselli a job and further denied any knowledge as to any pressure brought to facilitate the release of Roselli on parole.

CURRENT ACTIVITIES OF SUBJECTS

When interviewed during the course of this investigation during the early part of October, all of the subjects advised that they were residing and were employed in accordance with the provisions of their respective parole plans previously set out with the exception of Subject D'Andrea. He advised that he had not yet commenced employment with the Krispy Klean Vegetable Company of Chicago because of ill health. D'Andrea stated he had secured permission from his Probation Officer in Chicago to enter various clinics for medical treatment and that he had just been discharged from the Mayo Brothers Clinic at Rochester, Minnesota. At the time of the interview, D'Andrea did not know when he would be physically able to commence employment.

INTERVIEWS WITH SUBJECTS

AND WITH

GEORGE E. BROWNE AND WILLIAM BIOFF

* *

INTERVIEWS WITH SUBJECTS

All subjects, upon interview by Bureau Agents, denied having any knowledge prior to their release that Paul Dillon was interceding for them in connection with the securing of their paroles.

All five subjects, with the exception of Rosselli, maintained that they did not know Dillon. Rosselli advised that in December, 1946, (actually November 20, 1946), Dillon visited him at Terre Haute, Indiana, apparently upon reference from William Scott Stewart, Chicago, Illinois, Attorney. In this connection, Rosselli stated that while he was still incarcerated at Atlanta Penitentiary, William Scott Stewart, who was representing him and the other subjects on their appeal from the District Court of the conviction in the anti-racketeering case, visited him in the penitentiary. At that time, he requested Stewart to send someone to see him so that he could discuss the Mail Fraud indictment that he understood was still pending against him. While he was incarcerated at Atlanta, he heard nothing more concerning this matter. About 18 months later while in Terre Haute Penitentiary, he was visited by Dillon. Rosselli maintained that the discussion with Dillon was confined exclusively to the Mail Fraud indictment. Rosselli maintained that thereafter he heard nothing further from Paul Dillon.

All subjects emphatically denied that they had any knowledge of or any participation in any irregularity in connection with the obtaining of their paroles.

Subject D'ANDREA advised that he did have advance knowledge that Emanuel Stern, Fargo, North Dakota Attorney, was employed in his behalf in connection with his prospective parole, pointing out that he had been visited by Stern while in the penitentiary in connection with this matter. D'Andrea advised he did not understand why it was necessary to hire an attorney in connection with his parole but that he had left this matter in the hands of his attorney, Samuel H. Shapiro, who had arranged for the services of Stern.

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INTERVIEW WITH WILLIAM BIOFF

Bioff advised that he had no positive information as to the manner in which Louis Campagna and his associates effected their paroles; he expressed the following as his personal opinion in the matter. He stated that he believed Willie Meaney *, whom he described as a former partner of Campagna in gambling activities in Chicago, had acted as contact man for the subjects. Meaney, in turn, working through "Putty Nose" Brady *, deceased, formerly a political leader in Missouri, and John Daugherty, Sheriff, St. Louis County, Missouri, made contact with Attorney Paul Dillon of St. Louis. Dillon, in turn, without disclosing all the facts with relation to the subjects, persuaded President Truman to issue instructions to the Attorney General to have the subjects released. Bioff claims he was well acquainted with the activities of Meaney, Brady, and Daugherty. He stated that he also knew that Dillon had close political ties with the White House, but to his knowledge Dillon had not previously acted as attorney for Campagna and his associates. It is noted Bioff states he has been following this case closely through the Chicago newspapers and the radio, but that his personal opinion in regard to the manner in which the paroles were effected was not influenced by these sources but was based upon his knowledge of the background of the individuals involved.

Bioff stated he definitely knew that detainers had been filed against the parolees because he had seen such detainers in the subjects' prison file jackets. He stated he wondered what happened to the Mail Fraud indictments which had been pending against the subjects, particularly in view of the recommendations against parole made by the Presiding Judge and the Special Prosecutor for the Attorney General.

(It is noted that no detainers were filed in this case. The records of the subjects as contained in the penitentiary, however, did reflect that information had been made available from Special Assistant to the Attorney General Boris Kostelanetz to the effect that these subjects had been indicted in the Southern District of New York for violation of the Mail Fraud Statute and that even though they were incarcerated in connection with the Anti-Racketeering charge they were under bail in the amount of $50,000 with reference to the Mail Fraud charge. Kostelanetz, therefore, indicated that he was unable to cause a warrant to be issued. The prison records of the subjects do, however, contain notations concerning the then outstanding Mail Fraud indictment).

Bioff stated he was very bitter over the fact that Subject Campagna had been able to settle his delinquent income taxes with the Federal Government at a rate which he indicated was on the basis of ten cents on the dollar while he has not been given similar consideration in his own case. He stated he was considering taking this matter up with the Bureau of Internal Revenue and that if he did not obtain favorable consideration, he might "expose the whole situation to the press."

* (See background memorandum)

JOHN F. DAUGHERTY, Sheriff, City of St. Louis, Missouri, advised the FBI, upon interview, that he has no knowledge of the subjects in this case, that he has never interceded for nor has he been approached by anyone on behalf of the subjects. He maintained the only knowledge he has concerning this case is what he read in the newspapers.

INTERVIEW WITH GEORGE E. BROWNE

Browne was interviewed at considerable length and, while he appeared to be cooperative, he advised that he had no information concerning the manner in which the subjects secured their paroles in this case. He was also questioned as to any knowledge he might have concerning collateral matters of interest to this case such as the mysterious contributions made toward settlement of Campagna's and De Lucia's income taxes, but with negative results.

INTERVIEWS WITH BUREAU OF PRISONS OFFICIALS

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INTERVIEWS WITH BUREAU OF PRISONS OFFICIALS

The following Bureau of Prisons officials were interviewed by Bureau Agents and all uniformly denied having any knowledge whatsoever concerning any irregularity in connection with the obtaining of the paroles at issue:

James V. Bennett, Director, Bureau of Prisons
Frank Loveland, Assistant Director, Bureau of Prisons
Joseph W. Sanford, Warden, Atlanta Penitentiary
Walter A. Hunter, Warden, Leavenworth Penitentiary
Michael J. Pescor, Warden, Medical Center, Springfield, Missouri
D. L. Yeagley, Classification of Parole Officer, Leavenworth Penitentiary

WALTER K. ULRICH, Parole Executive, U. S. Board of Parole, Washington, D. C., made similar denial.

Additional information received from the above officials is set forth elsewhere in the body of this brief in connection with the particular matter to which such information relates.

ADDITIONAL SPECIFIC ALLEGATIONS

DEVELOPED DURING INVESTIGATION.

* * * * * * * * * * * * *

ALLEGATIONS OF GEORGE GLENN WHITNEY
(INMATE AT LEAVENWORTH PENITENTIARY)

George Glenn Whitney, an inmate of Leavenworth Penitentiary, requested an interview with an Agent of this Bureau. He advised that he had received information from inmate Charles Gioe, approximately three months before Gioe was afforded a hearing before the Parole Board, that he, Gioe, would effect his parole at a cost of $300,000. Gioe advised Whitney that $100,000 was to be paid to Fisher, the Parole Officer at Chicago, and the remainder of the money was to be paid to Wilson, Chairman of the Parole Board. Whitney stated that an attorney named "Beever or Biever" (this is George Bieber) of Chicago was to make the payoff and that Jack Rusik was to raise the money. Part of the money, according to Whitney, was to come from the subject's family and the larger portion was to be contributed by the gambling syndicate in Chicago.

Whitney related that he had personally observed a letter to Gioe received from Harry Ash of Chicago, stating that Gioe should submit his name to the Parole Board so that he, Ash, could be named as Parole Advisor.

Previous contact with this inmate who has been interviewed on a number of occasions has definitely indicated information furnished by him is totally unreliable. The information which he has herein furnished is of no significance in the light of the entire investigation. The substance of the information he furnishes, of course, has been in part available in the news comment which has so widely appeared in connection with this case. Of interest is the subject's criminal record under FBI No. 127649 which is as follows:

He was received at the State Reformatory at Mansfield, Ohio on August 12, 1927 on a charge of auto stealing for which he received a sentence of from one to twenty years. On January 24, 1934 he was arrested by the Cleveland Police Department under the name of Clark on a charge of petty larceny and received a $25.00 fine. Then on August 1, 1939 under the name of Frank Penner he was received at the United States Penitentiary at Lewisburg on a charge of theft of United States mail for which he had received a sentence of five years. He was subsequently conditionally released on December 20, 1942. Thereafter, on January 7, 1944, having been arrested on a charge of embezzlement which was changed to petty larceny, he was received at the House of Correction, Warrensville, Ohio under sentence of thirty days and a fine of $65.75. Subsequently he was received at the House of Correction, Warrensville, Ohio on March 30, 1945 on a charge of assault and battery for which he received a sentence of six months and a fine of $333.20. He escaped on August 21, 1945 from this institution. On September 5, 1946 he received a five year sentence on a mail theft charge and under the name of George Glenn he was received at the United States Penitentiary at Terre Haute, Indiana.

GEORGE BIEBER,* attorney, Chicago, Illinois, was interviewed and stated that he has in no way participated in securing paroles for any of these subjects and knows nothing about the manner in which the paroles were secured. He advised that he was not acquainted with the Federal Parole Board members, the paroless involved in this case, or their attorneys. He knows nothing about the alleged passing of money to local Parole Officer Fisher or to members of the Federal Parole Board. He disclaimed any acquaintance with Federal Parole Officer Fisher and Attorney Paul Dillon of St. Louis. He stated that he had never represented the paroless at any time. Bieber is known to have represented members of the underworld in Chicago.

CHARLES W. FISHER,* Chief Probation Officer, Chicago, Illinois, and T. Webber Wilson, Chairman of the Parole Board, have denied receiving any money or otherwise knowing of any irregularities concerning the parole of these subjects.

JACK GUZIK,* reputed Czar of Chicago gambling, was interviewed and denied any participation in effecting the parole of these subjects. He denied giving any money to George Bieber, indicating that he has had very little contact with Bieber.

CHARLES CIOE, subject, denied that any money was paid to any official of the Parole system in effecting his or other subjects' release. He stated that he had suggested the name of Harry A. Ash to a friend of his, Sidney Korshak, at a time when Korshak visited him at Leavenworth Penitentiary for the purpose of obtaining Ash as a Parole Advisor. He denied receiving any communication from Ash while at Leavenworth.

HARRY A. ASH* stated that he had written a letter in behalf of subject Charles Cioe at the request of Sidney Korshak. He stated that he had handed this letter to Korshak and did not know whether it had been mailed. He stated that he presumed that some action had been taken on the letter inasmuch as he had received a communication in May, 1946, and this letter, as he recalled, was from the Parole Board, Washington, D. C., signed by Grich, which letter stated that Cioe had requested him as his Parole Advisor. Ash denied any knowledge whatsoever of any irregularity or attempted bribery in the obtaining of the paroles of these subjects.

*(See Background Memorandum)

INCOME TAX SETTLEMENTS
AS TO CAMPAGNA AND DE LUCIA

According to newspaper accounts (Chicago Daily Tribune, September 26, 1947), the Congressional Sub-Committee investigating instant paroles expressed a very strong interest in determining the source of the funds used to settle with the Internal Revenue Bureau the income tax claims against Campagna and De Lucia. Settlement on behalf of the subjects was handled by Attorney Eugene Bernstein of Chicago. Newspaper articles reflected that Bernstein testified before the Committee that a total of $70,000 was at various times "dropped" on his desk by unknown individuals for use in settling the Federal Government's income tax claim against the indicated subjects.

A review of the pertinent Internal Revenue Bureau files at Washington, D. C., reflects the following information:

Referral/Consult

HYMAN BARNSTEIN *

Barnstein, when interviewed by Bureau Agents, advised that he had been engaged to represent Campagna and DeLucia as their attorney in connection with the individual claims against them by the U. S. Government for deficiencies in their income tax returns, covering a period of several years prior to their incarceration. Barnstein visited DeLucia on at least two or three occasions while this subject was incarcerated in the penitentiary at Atlanta. After DeLucia was transferred to the Leavenworth Penitentiary, Barnstein visited him on six or eight occasions. On each, if not all of these occasions, Barnstein admitted he was accompanied to Leavenworth by Anthony Accardo, frequently described as Head of the Chicago Underworld Syndicate. (Further information concerning Accardo is set forth elsewhere in this brief under the caption "Visitors of Subjects While Incarcerated.")

Barnstein admitted that payment of the money involved was made by him on behalf of his clients. With reference to the source of this money, he stated that within a period of about two or three weeks in September and October, 1946, approximately ten different unidentified men came to his office at 77 West Washington Street, Chicago, and left sums of money, ranging from $10,000 to $30,000 each with instructions to apply this money on payments of the tax claims of Campagna and DeLucia. On three of these occasions, Barnstein was absent from his office and the money was received by his secretary, Miss Genova Cox.

Barnstein advised that he himself was present on about six or eight occasions when unidentified men brought sums of money to his office. He claimed that he had never seen any of these men before or since, but believes he could identify some or all of these men if he should ever see them again. On each occasion, Barnstein maintained, the man left with him a sum of cash with the mere explanation that he had been "told to leave this package with you for Paul (or Louie)". Barnstein stated he did not regard this procedure as too unusual in view of the apparent type of men with whom he was dealing and for whom the money was intended; that when he began to receive these payments he inquired of Mrs. Campagna, subject Campagna's wife, as to whether she had arranged for the payments but that, according to Barnstein, Mrs. Campagna denied she had arranged for the payments, stating, however, that she had "heard the money was coming in."

Barnstein stated that no receipts were given by him for any of the money he received, and that he kept no records showing the amounts or the dates of receipt; that as he received the money, he placed it all in a safe-deposit box in the First National Bank in Chicago. On October 11, 1946, he removed the money from the safe-deposit box, placed it in his personal account at the First National Bank and on the same date, drew a check on his account in favor of the Bureau of Internal Revenue to pay the tax claims against DeLucia and Campagna.

Barnstein stated the amounts which he received from the mysterious donors exceeded by $1,700 the amount necessary to pay the tax claims and Barnstein retained this $1,700 to apply on his fee as attorney. He advised further that in May, 1945, he had been paid $2,500 by Mrs. Campagna as a retainer fee.

* (See background memorandum)

With reference to the payment of the above tax claim, bank records confidentially examined disclosed that the American National Bank and Trust Company, Chicago, Illinois, credited Eugene Bernstein's account on October 11, 1946, in the amount of $100,000. On the same day four certified checks were drawn on this account, which checks were made payable by Bernstein to the Collector of Internal Revenue in the following amounts. These checks were as follows: $52,272.24; $123,676.30; $9,452.13; $6,305.90, and total $183,236.60. It is noted that Bernstein stated that he retained approximately $1,700 as his fee for handling the tax claim. The balance in the account would total $1,763.10, which would account for the expenditure of the funds heretofore related by Bernstein.

GENEVA COX

Geneva Cox, Bernstein's secretary, advised that in October, 1946, an unidentified man, whom she has never seen on any other occasion before or since, came to Bernstein's office and in the absence of Bernstein, counted out and handed to her about $25,000 in cash, consisting of large bills, including some of $1,000 denominations. According to her, the only explanation the man made was that the money was "for Louis Caggagno's tax." Miss Cox stated she offered to furnish him a receipt, to which he replied "never mind." This unknown man did not in any way identify himself nor did she press him for an identification. She claimed she did not regard the incident as necessarily unusual inasmuch as on numerous previous occasions in connection with matters not related to this case, unidentified persons have similarly come to Bernstein's office and left money or documents for him.

Cox related that two or three days after the above incident a second unidentified man came to Bernstein's office and in his absence, left with her a large package of currency, amount unknown, which was merely tied together with a strip of paper. Also a day or two later a third unidentified man similarly came to Bernstein's office and left with her a large package of bills. In both instances, according to Cox, the men did not identify themselves and indicated they wanted no receipts. Miss Cox stated that according to her recollection, one of these latter two men merely told her that the money was "for Paul's tax" and on the other occasion the man indicated merely that the money was "for Louie's tax."

Cox advised that she did not regard the visits by these latter two men as unusual any more than she regarded the visit by the first man as unusual. She stated that she turned the money in each instance over to Bernstein upon his arrival at the office.

Cox denied that she had any information whatsoever that would serve to identify the three men referred to. She said she believes that she would be able to identify them if she should ever see them again. She advised that she got the impression that the first man might be a relative of Caggagno but stated that she had no definite basis for that impression. Cox described the first man who contacted her as being Italian, about 45 years, medium build and of dark coloring. She was unable to furnish any description of the second and third men.

CHARLOTTE CAMPAGNA, wife of subject Campagna, emphatically denied knowing the source of the monies "dropped" on Attorney Bernstein's desk. She said she believed the money came from friends who desired their identities kept secret for the time being. She fully expects to be advised sometime as to the identities of these donors.

LOUIS CAMPAGNA, subject, advised that he has no knowledge as to the identities of these unknown individuals, nor has he any knowledge of the amount of money paid by each unknown individual. He stated that he expects to receive a list of the persons who paid the money because he wishes to reimburse them at sometime in the future. He stated that possibly the list of these persons had not been made public because they might have questionable backgrounds and, therefore, reasoned they might adversely affect his parole, and also because of these questionable backgrounds they might not want their names connected with the matter or have any public officials know that they would donate money to Campagna and Delucia.

Campagna was asked that if unknown friends of his would contribute tens of thousands of dollars anonymously for the payment of his income taxes, if he thought it possible that the same friends or similar friends would contribute large sums of money for the payment of bribes for his release on parole. Campagna admitted that such a situation could be possible but said that he did not think that such had happened. Furthermore, he advised that he has no knowledge of any such occurrence in connection with his parole and he is of the opinion his parole was granted legally and on the basis of his good behavior.

PAUL DE LUCIA, subject, advised that while he was still in jail he was informed that a settlement had been reached in the income tax case against him and that persons unknown had contributed money to cover this settlement; that these monies were taken in by Eugene Bernstein; that receipts were made out to the persons who gave the money but not in their names. Delucia stated he feels very grateful to the persons who came forward with the money and when and if receipts are presented by these unknown persons to him, he will re-pay the money if he is able. Delucia claimed this is not an unusual procedure among people of his type, and that if any of his close friends got in similar trouble, he would contribute money to help them out without solicitation and without complete assurance that he would be re-paid.

ANTHONY ACCARDO, reported head of the Chicago Underworld Syndicate, and who may, by virtue of his visits to Campagna and Delucia with Attorney Bernstein, have knowledge concerning the source of the funds used in settlement of the income taxes, was contacted by Bureau agents, but he refused to discuss anything concerning this case.

ADDITIONAL INVESTIGATION RE INCOME TAX "CONTRIBUTIONS."

During the course of interview with T. E. Rein, Chicago attorney who represented subject Dellacia at the Congressional Hearings in Chicago, Illinois, on September 26, 1947, Rein advised that he had questioned Dellacia concerning the source of the funds mysteriously contributed for use in settling the income tax claims. Rein stated that Dellacia maintained to him that he actually did not know who paid the money to Attorney Bernstein on his behalf; that Dellacia was of the opinion that the same individuals who helped raise bond in the original anti-racketeering case in the Southern District of New York contributed the money for the income tax settlement.

At the time of their original arrest the subjects in this case were released on bond in the amount of $50,000 each on each of the two indictments outstanding against them, namely, the anti-racketeering and the mail fraud indictments.

It has been determined that on May 23, 1943 the American Casualty Company of Reading, Pennsylvania issued fourteen bail bonds in the amount of $50,000 each for which an aggregate collateral of $346,545.32 in cash and $3,500 in U. S. Treasury Bonds was put up by thirtysix individuals. These bonds were issued for the five subjects of this case together with their co-defendants Francis Maritote and Ralph Piscro. On June 26, 1943 the risk on these bonds was transferred to the Manufacturers Casualty Insurance Company of Philadelphia.

On motion filed in the Southern District of New York on April 25, 1944 these bonds, as to the subjects, were cancelled. Shortly thereafter the collateral previously furnished was returned to the individual contributors.

In an effort to ascertain the identity of the individuals who contributed monies for the purpose of paying the income tax settlements, all of the persons who contributed to the raising of the original bond were contacted.

There is attached an exhibit reflecting the identity, the amounts contributed and additional factual data concerning each of these persons.

(EXHIBIT 31)

Each person who contributed cash collateral for the bonds of the subjects, upon interview by the FBI, maintained that the contribution was made because of friendship with one or more of the subjects or at the request of a mutual friend. The one exception to this was a professional bondsman who furnished collateral valued at $15,000. Each of these contributers denied that any threat or coercion was used to collect the money and they contributed voluntarily. No one received any remuneration for the money posted except the professional bondsman and one other contributer who received $250 interest on his $10,000 contribution.

In the main collection arrangements were made by Joseph Imburgio Bulger, Chicago attorney, and the money collected was delivered to the American Casualty Company.

JOSEPH IMBURGIO BULGER, as previously indicated, when originally contacted in connection with this case refused to discuss the matter in any way. On subsequent interview he did furnish limited information. In connection with the raising of the bail bonds for the subjects in 1943, he stated that in his capacity as an attorney he undertook to make arrangements for the placement of the bond. He stated that after several unsuccessful attempts he solicited the aid of George F. Callaghan, Chicago attorney. Callaghan, he stated, introduced him to Tim Dunne of the American Casualty Company. Negotiations concerning the bond were subsequently carried out between Dunne and Bulger. Bulger maintained that the collateral put up for the bonds was deposited with the American Casualty Company by the contributing individuals. He stated he could not recall their identities.

GEORGE F. CALLAGHAN, former Assistant U. S. Attorney in Chicago, Illinois, recommended Tim Dunne of the American Casualty Company to Joseph Bulger. Callaghan maintained that this constituted the extent of his participation. When first interviewed, Callaghan refused to furnish any information, however, he subsequently volunteered the brief information indicated.

KNOWN CONTRIBUTORS TO INCOME TAX SETTLEMENT

Of the numerous persons interviewed who had contributed to the raising of the bail bonds for the subjects, only two admitted having also contributed to the funds used in settling the income tax claim against Delucia and Campagna. Three others indicated knowledge of some information concerning the income tax contributions.

WILLIE HEENEY *, part owner of a bookie establishment and tavern located at 5914 West Cermak Road, Cicero, Illinois, admitted that he gave $10,000 in cash to his partner, Joe Corngold, to be used in the settlement of the government's tax claim against Campagna. Heeney stated he expected this money, ultimately, to be returned to him but that he did not receive a note or receipt in connection with his contribution. He also advised that he has heard that others contributed to this fund through Corngold. He refused to furnish their names. He stated it was his opinion that Corngold had learned the money was needed and had contacted Mrs. Campagna on the matter.

* (See background memorandum)

WALTER THOMAS NOVAK, a tavern operator at Chicago, Illinois, stated that in September, 1946, he was contacted by Joe Corngold and that he turned over $10,000 in cash with the understanding that the money was to be used in the settlement of Campagna's back income taxes. Novak denied knowing of anyone else who had contributed money for this purpose. He denied receiving a note or receipt for the money. He considers it a loan which will be repaid by Campagna.

JOE CORNGOLD*, reputed gambling czar of Cicero, Illinois, refused to discuss this matter. Concerning the fact that his partner, Willie Feeney, had paid $10,000, Corngold stated, "Maybe I put up the same amount, maybe less, maybe more. I might have borrowed money from friends to help a friend. Anything to keep a friend from having to stay in any longer than is necessary."

JOE FUSCO*, an executive of the Gold Seal Liquor Company, Chicago, Illinois, raised $50,000 towards the bail bonds of instant subjects. When asked by Bureau agents if he had contributed or requested a contribution from anyone toward the fund to settle the income tax claims, replied, " I do not care to answer any questions concerning that matter at this time."

He did remark that occasionally a man in his position is called upon to do things he would prefer not to do but cannot very well decline to do.

The fact that Corngold and Fusco declined to answer questions concerning this matter was called to the attention of the Attorney General by memorandum dated October 24, 1947.

ANTHONY FERRY, Chicago, Illinois, who originally posted $10,000 for bond on behalf of subject D'Amico, denied that he personally contributed to the income tax funds. He stated that he heard "in a spot" that "someone" was soliciting loans to settle the tax claim against Campagna and DeLucia. He indicated this individual was a personal friend but refused to identify him.

Each of the individuals interviewed in connection with this matter denied having any knowledge or information as to the manner in which the subjects obtained their paroles.

* (See background memorandum)

ALLEGATIONS OF "SPECIAL HANDLING" BY PAROLE OFFICIALS

At the Congressional hearing in Chicago, Illinois, on September 26, 1947, Charles W. Fisher, Chief United States Probation Agent in the Northern District of Illinois, and Joseph Colosimo, an employee in his office, testified that "pressure" was brought to facilitate the parole procedure in this case. Colosimo testified "This was an unusual case." These statements were made by Fisher and Colosimo in explaining to the committee the rapidity with which they approved Louis J. Felton as Parole Advisor for subject Dice after Harry A. Ash of the Illinois Crime Prevention Board had withdrawn as advisor to this parolee.

According to a newspaper article (Chicago Daily Tribune, September 27, 1947) Representative Melvin C. Snyder (R.- C. Va.) of the committee also commented upon what he termed the "unholy speed" with which the paroles were granted after Dillon appeared in the Washington office of the Federal Parole Board. Apparently much was made of the fact that Dillon appeared before the Parole Board on August 7, 1947, and that paroles of the subjects were granted only six days later, effective on August 13, 1947.

Chronology of Relevant Events

The five subjects in this case submitted their applications for paroles as follows:

NAME	DATE	PLACE
Campagna	March 12, 1947	Leavenworth Penitentiary
D'Andrea	May 26, 1947	Springfield, Missouri, Pen
De Lucia	(undated)	Leavenworth Penitentiary
Dice	May 1, 1947	Leavenworth Penitentiary
Roselli	April 23, 1947	Terre Haute, Indiana, Pen

In consideration of these applications for parole, Judges Wilson and Rogers interviewed the subjects of this case as indicated below. There are also attached as exhibits photostatic copies of a transcript of the minutes of the hearing conducted by the Parole Board members with the respective subjects. According to newspaper reports, Representative Fred E. Busbey (R.-Ill.), a member of the Congressional Subcommittee investigating these paroles, has characterized the interviews by the Parole Board members with the subjects as being "childish." Wilson and Rogers advised that their interviews with subjects were handled as a matter of routine and Wilson stated they were but three of a hundred cases to be handled on his trip.

INTERVIEWING PAROLE BOARD MEMBER	NAME	DATE	PENITENTIARY
Wilson	Campagna	July 25, 1947	Leavenworth Penitentiary (EXHIBIT 32)
Wilson	DeLucia	July 29, 1947	Leavenworth Penitentiary (EXHIBIT 33)
Wilson	Gioe	July 29, 1947	Leavenworth Penitentiary (EXHIBIT 34)
Rogers	Roselli	July 4, 1947	Terre Haute, Indiana, Pen (EXHIBIT 35)
Rogers	D'Andrea	July 7, 1947	Springfield, Missouri, Pen (EXHIBIT 36)

The interviewing Parole Board members continued all cases pertaining to subjects to Washington for final determination by the Parole Board.

On August 7, 1947, the Parole Board unanimously adjudged and ordered that the application for release on parole of each of the five subjects be granted, effective August 13, 1947.

By wire dated August 8, 1947, Walter K. Urich, Parole Executive advised the Warden of Leavenworth Penitentiary that the Parole Board had granted parole effective August 13th as to Campagna, DeLucia, and Gioe. The Warden was requested in this wire to submit the approved parole plans for these prospective paroleas.

On the same date, August 8th, Urich furnished similar advice to the Warden at the Medical Center for Federal Prisoners, Springfield, Missouri, as to D'Andrea and to the Warden at Terre Haute, Indiana, as to Roselli.

WALTER K. URICH, Parole Executive, U. S. Parole Board, advised that the designation of the effective date of parole is a matter within the complete discretion of the members of the U. S. Board of Parole. He stated that the period in this case between action by the Board and the date designated for release on parole, which was from August 7, to August 13, 1947, was not unusual, and that frequently the Board orders releases within a week. He stated that it is his duty as Parole Executive to do everything possible to carry out the Board's desires, and that if it is necessary to resort to teletype, telegraph, and telephone communication in order to accomplish this, such is done.

Urich also pointed out that once the Parole Board has ordered parole it then becomes the duty of the Parole Officer with the particular Federal

Penitentiary where the inmate is incarcerated, to work out with the inmate a proposed parole plan. He then submits the approved plan to the Parole Officer at the penitentiary who in turn submits it to the Parole Executive in Washington, who approves the plan and upon approval furnishes to the Parole Officer in the institution a Certificate of Parole for the inmate. This Certificate of Parole is identified as Parole Form No. 17 and sets forth identifying data regarding the inmate and the conditions of parole. It provides for the signature of the Parole Executive and has a space for a certification of release on parole by the Warden or Superintendent of the penitentiary in which the inmate is incarcerated. This statement must be signed and witnessed by the inmate.

Urich pointed out that it is frequently the procedure to forward Certificates to the Parole Officer in a penitentiary to be held subject to the telegraphic or telephonic approval of the plan. This procedure, he said, sometimes is necessary in order that the Certificates will arrive in time for the prisoner to be released on the date indicated by the Parole Board. In no instance can the prisoner be released until the plan is approved by the Parole Executive. In order that the release on parole of the subjects might be effective on the August 13th date established by the Parole Board, an interchange of telegrams was had between Urich, the Parole Executive, Warden Hunter (Attention: D. L. Yeagley, Supervisor of Classification and Parole) of Leavenworth Penitentiary, and Charles W. Fisher, Chief U. S. Probation Officer in Chicago.

A letter in the Parole Board file on subject Dice reflects that Fisher, the Chief Probation Officer in Chicago, did not furnish his written approval as to the parole plan of Dice until the date of the letter, namely, August 13, 1947. However, this letter reflects that it is in confirmation of a long-distance telephone call of August 12, 1947. The parole plan as to Dice, which was approved in this letter by Probation Officer Fisher, included as parole advisor, Barry A. Ash, Superintendent of the Division of Crime Prevention, State of Illinois. The letter reflects that Ash consented to act as Parole Advisor and was so approved.

Further indicative of the fact that approval of the parole plans was handled in expeditious fashion is the letter which is contained in the Parole Board file on subject D'Andrea from John J. Collins, U. S. Probation Officer, Northern District of Illinois, Chicago, Illinois, to Parole Executive Urich. This letter advised as to the fact that Samuel Shapiro, attorney for D'Andrea, has stated that the parole advisor for D'Andrea was to be John Tiberi of Chicago. The letter reflects that after contact by the Probation Office, Tiberi consented to be parole advisor for D'Andrea. Collins points out that he has not investigated the residence angle of the parole plan and advises as to his contact with D'Andrea's prospective employer, James Ferrara of the Krispy Clean Vegetable Company, Chicago. Collins concludes, "Inasmuch as we have such short notice to investigate this plan, if you approve of same as given above we will

be glad to accept this individual for advisor." This letter appears to be dated August 12, 1947. The date of the letter has been stamped over with what appears to be a receiving date stamp. While somewhat illegible, it appears the communication was received at the Department of Justice, Bureau of Prisons, on August 14, 1947, at 10:05 a.m. (EXHIBIT 37)

Harry A. Ash, who was originally designated as the parole advisor for subject Dioe, withdrew his agreement to act in this capacity after the adverse publicity concerning the paroles of the subjects appeared in the newspapers.

After the release of subject Dioe on parole and in view of this action by Ash, it became necessary to secure a substitute parole advisor. Louis J. Pelton of Chicago, Illinois, has advised that upon request of subject Dioe in the early part of September, 1947, he agreed to act in this capacity.

CHARLES A. FISHER*, Probation Officer, Chicago, Illinois, advised that his office was not aware of the pending parole of the subjects until August 11, 1947, on which date he received their respective parole plans in letter form, the letters being dated August 8, 1947.

The parole plan of D'Andrea was brought to his attention by a copy of a letter dated August 8, 1947, to Samuel H. Shapiro, D'Andrea's attorney.

With respect to the parole plan of Campagna, Fisher stated his office was advised of this by receipt of a copy of a letter which D. L. Yeagley, Classification and Parole Officer, Leavenworth Penitentiary, sent to Dorothy Campagna, daughter of the subject. This letter advised Dorothy Campagna that her father had been granted a parole effective August 13, 1947, and stated that although "..... we will not be able to complete his parole plan so he can be released on that date, we can act as quickly as possible so that he can be released on parole as soon as possible after that date." Fisher stated that it seemed strange to him that Yeagley would forward information to the Probation Office in Chicago by means of a copy of a letter to a relative of the subject rather than by direct communication.

The parole plan of Delucia was received by Fisher on August 11, 1947 directly from Yeagley at Leavenworth. The same was true as to Subject Dioe. All of these letters were received in Fisher's Office on August 11, 1947.

It will be noted that the Probation Office in Chicago did not receive the parole plan as to Subject Rosalli since he is to reside in Los Angeles, California.

* (See Background Memorandum)

Fisher advised that each of the four letters pertaining to the subjects who were to reside in Chicago stated that the parole was to become effective August 13; that on the morning of August 12 he received a telephone call from D. L. Yeagley at Leavenworth who requested Fisher to expedite the investigation of the parole plans; to wire him on that date as to the results, and to follow the wire by a written report on August 13, 1947. Fisher stated this call from Yeagley made reference to the parole plan of Cice, Campagna, and DeLucia.

With respect to D'Andrea's parole plan, Fisher stated that Samuel Shapiro, D'Andrea's attorney, advised him that he had talked to Urich, Parole Executive in Washington, and that D'Andrea's parole plan investigation was to be expedited. Fisher stated that his office conducted their investigation and wired Leavenworth August 12, 1947, of their approval of the parole plans and followed the wire by their written reports the following day, August 13.

Fisher stated that in his opinion there was nothing unusual about instant paroles other than the great amount of publicity received and the fact that his office was asked to expedite approval of the parole plans. Fisher stated he had no information concerning any irregularities in connection with the paroles of the subjects of this case.

Fisher also advised that it was not too unusual to be requested to expedite investigation of parole plans and pointed out that in some instances his men have been out conducting investigations of parole plans and have found that the parolees have already been released from the penitentiary. Fisher advised, however, that normally speaking his office had on an average of four to five weeks to investigate parole plans.

Fisher was re-interviewed on October 7, 1947, at which time he advised that few cases had been rushed through his office as much as the paroles of the four subjects, Cice, Campagna, DeLucia and D'Andrea, have been. He said that the few cases which were so expedited in the past had been in instances where death or serious illness occurred in the inmate's family and in view thereof, attempt was made to expedite his release. Fisher also advised that he believes an instance has occurred where upon beginning investigation of the parole plan of a parolee it has been ascertained that the parolee was released prior to the commencement of the investigation. He was unable to recall any specific case. Fisher stated that investigation of parole plans by telephone was not in accordance with his office policy.

Fisher also advised that because of the backgrounds of these men he felt his office should have had more time and that he was never again going to expedite an investigation of a parole plan regardless of where the request came from. He stated that he did not know how much time Yeagley at Leavenworth was given; that is, he did not know when the prisoners submitted their parole plans. Fisher stated it is the custom that as soon as a parole plan is submitted

to the penitentiary it is forwarded to the Parole Office covering the district in which the man intends to reside after his release. Accordingly, Fisher stated, his office has received many parole plans a short period after the incarceration of the prisoner.

[redacted]

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D. L. YEAGLEY,* Classification and Parole Office, U. S. Penitentiary, Leavenworth, Kansas, advised that on August 6, 1947, a teletype was received from Parole Executive Urich in Washington advising that the Parole Board had granted parole for Campagna, Delucia, and Cice, effective August 13, 1947, and requested approved parole plans be submitted. On the same date Yeagley sent a letter to Charles W. Fisher, Probation Officer of Chicago, Illinois, a copy being designated for Urich, requesting Parole Certificates. Yeagley advised that on August 11, 1947, he telephoned Fisher in Chicago to determine if telegraphic approval of the parole plan for these subjects could be obtained in order

*(See Background Memorandum)

to effect the release of these three men on August 13, 1947, as instructed by Urich. He stated that Fisher, after talking to his assistant, Colosimo, advised that the parole plan for Campagna had been approved and that the Chicago Office was working on the other two; that they would make a few telephone calls and try to give approval by teletype on August 11th or the following morning.

Yeagley advised that to the best of his recollection he told Fisher that from the plan submitted to the Parole Board it could be determined that the three subjects were largely dependent upon their own resources and not dependent upon obtaining positions, as was the case with most paroled inmates; that the fact he made a telephone call to Fisher was not at all unusual inasmuch as procedure during the past several years has been to release men on parole on the date scheduled rather than at a time beyond that date.

Yeagley stated that eight men were released on the same date that the subjects in this case were paroled and that there was no special handling of their cases; that the Parole Certificates pertaining to the subjects were received from the Parole Board in Washington on August 11, 1947, calling for their release on August 13.

WALTER A. HUNTER, Warden, Leavenworth Penitentiary, confirmed Yeagley's statement that the telephonic communications in this case were not unusual. He also advised that there were several cases at Leavenworth Penitentiary at the present time where numerous telephone calls had been made in order to expedite the release of inmates.

With reference to the indication by Representative Snyder of the Subcommittee investigating another situation that the paroles in this case were granted with "unholy speed" after Paul Dillon appeared in Washington on behalf of the subjects, it should be noted that while the paroles were granted to be effective on August 13, only six days after Dillon's appearance before the Board on August 7th, the Board's hearing on August 7th was scheduled as a result of prior consideration afforded the parole applications of the subjects. In other words, Dillon's appearance before the Parole Board did not initiate the parole action. It had been instituted prior to that time by applications for parole by the subjects and subsequent interview of the subjects in the penitentiary by members of the Parole Board.

COMPARISON WITH OTHER CASES HANDLED BY PAROLE BOARD

The docket sheets covering the interviews held by Fred S. Rogers at Terre Haute, Indiana, and Springfield, Missouri, together with the docket sheets of interviews held by T. Webber Wilson at Leavenworth, in July, 1947, on the

same trips when subjects of this case were interviewed for parole were reviewed. These dockets indicate 241 inmates were interviewed at Leavenworth; 152 at Terre Haute; and 109 at Springfield.

The dockets indicate of the 241 inmates interviewed by Judge Wilson at Leavenworth, excluding the subjects, thirty have been paroled; ten within six days or less from the date of action by the Board; thirteen have not been released on the effective date set by the Board; and in only one of these thirteen cases was a telegram or teletype used to expedite the release.

Of the inmates interviewed at Springfield, there were thirty-seven paroled to date, seven within six days of action by the Board; fifteen were not released by the effective date set by the Board; and no telegrams or teletypes were used to expedite these paroles by the effective date.

Of the inmates interviewed at Terre Haute, to date thirty-two have been paroled; three released within six days of the date of action taken by the Board; seven not released by the effective date set by the Board; and no telegram or teletype was used to expedite these releases.

In the one instance mentioned above where a telegram or teletype was used to expedite the completion of the parole plan and approval in order to make the date of the release set by the Parole Board, this was the case of Neal Brown, Leavenworth #63108, in whose file appears a letter from Judge Power Broddus of Oklahoma City, Oklahoma, dated April 5, 1947, in which the Judge states that he now feels that when he sentenced Brown to four years he may not have had all of the facts available and in view of Brown's war record he feels he should be given every parole consideration. This file also contains a conditional pardon from the Governor of Texas on a conviction pending against Brown, the pardon being conditioned upon Federal parole.

Mr. Walter Urich, Parole Executive, pointed out that a telegram was used by his office to notify the Parole Officer at Leavenworth of the action taken by the Board concerning the subjects' sentences since they were cases which had been referred to Washington and since it was necessary to use teletype as the effective parole date was only six days beyond the date of action of the Board. He maintains this is customary.

The docket sheets also indicate that at least ten, and possibly other inmates, in addition to Rosselli, were interviewed by Judge Rogers on July 4, 1947, at Terre Haute, Indiana.

The Parole Board files also indicate that the only other occasions where the date of release was as close to the date of action of the Board as it was in the cases involving subjects, was where the Parole Board set a date several weeks after the date of their action but because of good time accrued to the inmate,

the date of parole became effective within a short period. Mr. Urich stated that in these instances the Parole Board does not review the file to determine whether a man is entitled to good time because of the volume of work being handled, and that there may be some instances when this action should be taken in order to facilitate the necessary arrangements to release inmates on the date they should be released.

Mr. Urich pointed out that once the Parole Officer in the institution has been notified of the date set for the inmate's release, it is then his responsibility to carry out the necessary action to perfect the parole plan and obtain the approval of the Probation Officer in the district of residence of the inmate. It was pointed out by Mr. Urich that parole Officers in the Federal penitentiaries are employees of the Bureau of Prisons and not of the Parole Board but that they act as agents of the Parole Board in parole matters.

ALLEGATIONS RE POSTMASTER GENERAL MANNEGAN

During the course of interview with T. Webber Wilson, former Chairman of the United States Board of Parole, by a Bureau agent on September 20, 1947, Wilson advised that during the latter part of August, shortly before he resigned from the Parole Board, he was interviewed upon reference from the office of Colonel Leo Cadison of the Department by a representative of the Hearst newspapers named Sinton (actually Finston). Wilson believed that Cadison and Parole Board member Hopkins were present during the interview, which was solicited by the newspaperman to discuss the paroles of the subjects. Wilson stated that the newspaperman represented that some New York gangster or racketeer had paid Postmaster General Robert Hannegan a goodly sum to arrange for the paroling of the five subjects. The reporter claimed that President Truman and Mr. Hannegan were catering to the underworld element in order to obtain votes in the coming Presidential campaign. Wilson advised that he admonished the reporter severely and warned him about making such statements unless he had substantiating information.

CHARLES FINSTON of the Hearst Bureau, Washington, D. C., was the reporter referred to by Wilson. Finston advised upon interview by Bureau agents that the source of his information in this matter was Louis Shainmark of the Chicago Herald American; that he does not know the source of Shainmark's information, but that Shainmark called him from Chicago and told him he had heard rumors that Frankie Costello of New York had paid a sum of money to Robert Hannegan in connection with the paroles of the subjects. Finston stated the amount of the money involved was not mentioned and that he had been unable to develop any information whatsoever in connection with this allegation.

Finston also advised that later Shainmark again called him from Chicago advising that he had heard that one Neal Holm, a politician from Caruthersville, Missouri, had handled the money in connection with the parole. He stated Shainmark did not disclose the source of this information or the amount of money allegedly involved and that he had no further information regarding the obtaining of the paroles for the subjects in this case.

LOUIS SHAINMARK, managing editor of the Chicago Herald American newspaper, was interviewed by Bureau agents on September 30, 1947, at which time he stated that he recalled the fact that he did hear the rumors mentioned above, but that he does not know the source of these rumors. He advised that he would endeavor to recall the source and if successful would notify the Chicago FBI office. Shainmark was reinterviewed on October 22, 1947, at which time he again advised he was unable to recall the source of the indicated rumors.

MURRAY A. ASH* was the originally selected Parole Advisor for subject Cice. When interviewed in this connection, he advised that just prior to the newspaper publicity concerning the paroles of the subjects, one Gregg Dillon of the Chicago Herald American telephoned him stating that he had been requested by his New York office to contact Ash in connection with a rumor to

(* See background information)

the effect that Toots Shor and Bob Hannegan were interested in the paroles of the subjects. Ash stated that he informed Gregg Dillon he had no knowledge of any connection of those two persons with the paroles.

GREGORY DILLON, Chicago Herald American reporter, stated that his information concerning the alleged involvement of the Postmaster General came from Louis Chaimark, his superior. He advised that Chaimark had received a tip by wire service from Washington that Hannegan had interested himself in the release of the paroles and that there was a pay-off which allegedly took place at Toots Shor's in New York City. Chaimark understood that Gregory Dillon was acquainted with Harry Ash, designated Parole Advisor for subject Charles Dice, and, accordingly, asked Dillon to contact Ash in the hope the latter might be able to throw some light on this "tip". As a result, according to Gregory Dillon, he contacted Ash, receiving advice that Ash knew nothing concerning the matter.

Gregory Dillon also advised that he did not recall the exact date that Chaimark had received this information, but was under the impression it had been received subsequent to the publicity given the release of the paroles. Dillon further advised that Chaimark had not identified the source of this tip to him, and he was uncertain as to whether the tip came over the International News Service wire or the Associated Press wire; it was his opinion it had come by wire in the form of a tip from Washington. Dillon had no further information in regard to this allegation.

Gregory Dillon advised that he is not related to Paul Dillon, the St. Louis attorney. He also stated he has no relatives in St. Louis.

ROBERT E. HANNEGAN, POSTMASTER GENERAL* was interviewed on October 8, 1947, regarding the allegations that money was paid to him by Frankie Costello of New York City in connection with securing the paroles of the subjects in this case. Mr. Hannegan stated he had absolutely no knowledge regarding the subjects or their obtaining their paroles until he had been approached by a newspaper reporter in Chicago whose name and affiliation he does not recall. This was about September 10, 1947. This newspaper reporter questioned him concerning instant allegation. Mr. Hannegan denied categorically that he knew anything whatsoever about the matter. Mr. Hannegan also stated that it has come to his attention that an implication was brought out during the Congressional Hearings in Chicago that Paul Dillon, St. Louis attorney, may have been in touch with him. Mr. Hannegan stated he does not know Dillon personally and that Dillon certainly had not been in touch with him in connection with the paroles of the subjects in this case. Mr. Hannegan also stated that he does not know Frankie Costello; that while he has heard of Neal Holm, he has had no contact with him whatsoever in connection with this case.

NEAL MAPER HOLM, interviewed on October 7, 1947, at the Statler Hotel, Washington, D. C., emphatically denied the allegation that money was supposed to have passed through his hands in connection with the obtaining of paroles for the subjects. He also stated that he had never

(*See background information)

heard of the subjects in this case until he read articles in the Chicago papers regarding their paroles. He denied specifically that he had anything whatsoever to do with obtaining their paroles.

FRANK COSTELLO* was interviewed on October 9, 1947, at New York City and stated that he has never met and has never had anything to do with Louis Campagna, Charles Gioe, or Philip D'Andrea. He claimed that he had met John Roselli about ten or twelve years ago socially but has not seen him since. According to Costello, he has a speaking acquaintance with Paul DeLucia but has had no business relations with him or any of the subjects involved. Costello denied that anyone had contacted him relative to arranging for a nolle prosse of the mail fraud indictment, to take any action to effect the parole of the subjects, or to obtain any transfers of the subjects from one penitentiary to another. He denied making any payment to anyone on behalf of these subjects.

*See background information

INTEREST OF MAURY HUGHES AND NASH ADAMS
IN CRIMINAL ATTORNEYS

DEPARTMENTAL FILES pertaining to the matter for which the subjects were originally convicted and sentenced were reviewed by Bureau Agents. These files were formerly maintained in New York City, but were subsequently transferred to Washington, D. C. It was noted from the files that in a letter dated May 7, 1946, Boris Kostelanetz advised the law firm of Hughes and Monroe at Dallas, Texas, that subject DeLucia was under indictment, being charged with having used the mails to defraud.

The file further reveals that Kostelanetz received a telephone call from Mr. Theron L. Caudle, formerly Assistant Attorney General in charge of the Criminal Division and presently Assistant Attorney General in charge of the Tax Division. Mr. Caudle informed Kostelanetz that Nash Adams was in his office inquiring concerning the mail fraud case, and thereupon put Adams on the telephone. According to the file, Adams told Kostelanetz that he thought the indictment (in the mail fraud case) should be dismissed, and "he was talking as a representative of a Texas law firm which had been solicited by Paul DeLucia." The file indicates that Adams was informed by Kostelanetz that the policy concerning this case would be determined in the very near future, and while he, Kostelanetz, was ready to give such assistance as he could, that he could not discuss the case further at that time. Adams thereupon requested Kostelanetz, according to the file, to telephone William Powers Maloney for further discussion of the case. The records in the Department do not indicate any further information regarding this matter.

NASH ADAMS, former attorney in Department of Justice and who is presently practicing law in Dallas, Texas, was interviewed by Bureau Agents on October 7, 1947. He stated that Maury Hughes of the law firm Hughes and Monroe of Dallas, Texas, had requested him during the summer of 1946, while he, Adams, was on a business trip to Washington, D. C., to contact the Department in order to determine the status and nature of the then pending criminal matter pertaining to Paul DeLucia. Adams recalled speaking with either the former The Assistant to the Attorney General James McGranery or Kostelanetz on two or three occasions concerning DeLucia's case. He advised he learned from the Department that DeLucia and several others were in the penitentiary as a result of the same conviction and that an indictment for mail fraud was then outstanding against these individuals. Adams claimed he had never seen any of the defendants, nor had he represented them. His only interest, Adams stated, was at the request of Hughes, and he suggested that the matter of fees be discussed with Mr. Hughes inasmuch as it was his case.

MAURY HUGHES, Dallas attorney, was interviewed by Bureau Agents on October 7, 1947, at the Mayflower Hotel, Washington, D. C. He stated that he was called into this case by an attorney in Chicago whose name he would not divulge, but who in a subsequent conversation he referred to as the head of the Chicago Bar. Hughes related that it appeared at the time he was called in that there was an argument between some Chicago lawyers and

some New York lawyers representing the subjects, and it was suggested as a result that a "country" lawyer be called in to handle certain contacts in regard to what was supposed to be a "secret" indictment against the subjects, and as a result he was retained to represent DeLucia. He thereafter went to New York and talked with someone in the United States Attorney's office, at which time he found out that the indictment was not secret, but, nevertheless, he could get no information there regarding the status of the case. He, therefore, went to Washington, D. C., where he saw a number of persons in the Department of Justice whose names he could not remember. He claimed that he could get no results, except that Boris Kostelanetz was handling the case, and attempts to reach Kostelanetz had been unsuccessful. He claimed that his "good friend and neighbor" Bush Adams had endeavored to make contact with Kostelanetz.

Hughes had no information concerning William Powers Maloney, other than that Adams and Maloney have worked together in Washington. Hughes alleged that he did nothing further in this case and that he received his fee, but would not disclose the amount of it, only to say that it was paid by check. He claimed that he knows absolutely nothing further regarding the subjects; that he himself is a country lawyer who represents Dallas, Texas, in national politics. He maintained he knew of no irregularities or payment of any money to any officials, either in connection with the obtaining of the nolle prosse in this case or in the obtaining of the parolee.

He further stated that he had absolutely no information regarding the source of funds used to "pay-off" the income tax indictments of the subjects.

Throughout the interview Hughes consistently refused to identify the person who contacted him to secure his services on behalf of subject DeLucia. This fact was called to the attention of the Attorney General by memorandum dated October 24, 1947.

ALLEGED MEETING AT
HERITAGE SPRINGS, MICHIGAN

During the course of the above-indicated interview with Harry Hughes, he advised that on October 5, 1947, he had been to the Chez Paree night club in Chicago with a group of men whose names he would not divulge and that while there had overheard a conversation that "all the sponsors were hatched up by the Republicans at Ligonier, Indiana." When pressed for further details regarding this matter, he removed from his pockets some notes which he stated had been made by him on a plane flight from Chicago to Washington, D. C., on the night of October 6, 1947. He then stated there had been a meeting at Harrison Springs, Michigan, (whose subject Capone's farm is located), at which time a conversation was had between Harry Ash, head of the Chicago Crime Commission, and Governor Green of Illinois; that a Mr. Mecomb of Ligonier, Indiana, w present and that during the meeting a Mr. Dempsey was either present or was telephoned He said that Governor Green on this occasion had instructed Ash that he was to

act as Parole Advisor in connection with the paroles of the subjects.

Hughes was asked specifically for further information regarding this meeting at Berrien Springs, Michigan, and he stated that he had just overheard the conversation and that he had no part in it. He further stated that he had no further information to offer, with the exception that he had asked "what kind of salary do they pay for the job of the head of the Crime Commission in Chicago" and was told $5,000. He did recall that during the conversation at the Chez Paree it was indicated that Tony Accardo, mentioned elsewhere in this memorandum, was the "go-between" between the Republican Committeemen and the subjects at the penitentiary at Leavenworth, Kansas, since Accardo had access to Leavenworth. Hughes repeatedly stated that this whole matter was a political manouver; that it was engineered by the Republicans who are out to get the Democrats; that he was morally sure that there were no irregularities in connection with the handling of this matter, and that no moneys were paid to anyone in the Government. He advised that he knows the Attorney General and several of the "boys" in the Department who are from Texas and said they wouldn't take any money.

DWIGHT H. GREEN, Governor, State of Illinois, advised with reference to the allegation that he had instructed Harry Ash, Superintendent of the Illinois Crime Prevention Commission, to act as parole advisor in this case while reportedly attending a meeting at the home of Subject Campagna at Berrien Springs, Michigan, that the allegation was "utterly ridiculous" and without any truth whatsoever.

JOHN T. DEMPSEY, Public Administrator for the State of Illinois, stated he participated in no manner whatsoever with respect to the paroles of the subjects. He denied ever having been in Berrien Springs, Michigan, or its vicinity. He denied ever receiving a telephone call from Berrien Springs or anywhere else in connection with these paroles; or that he had discussed the paroles of the subjects with anyone prior to the local newspaper publicity.

ERNEST W. ROSNER, President of the Chicago Bar Association, stated he has in no way ever participated in the parole matters under consideration; that he is acquainted only with one of the parolees - namely DeLucia, whom he refers to as Ricca. Rosner denied ever having been approached by anyone relative to this parole matter. He stated he is not acquainted with an attorney by the name of Hughes from Dallas, Texas.

CHARLOTTE CAMPAGNA, wife of Subject Campagna, stated that she never attended a meeting with anybody at any time concerning these parole matters, with the one exception of her visit to Paul Dillon, St. Louis attorney. She denied that any meeting was ever held at Berrien Springs, Michigan, or elsewhere; that she has ever met Governor Green, John Dempsey, or Harry Ash.

Investigation concerning this matter at Ligonier, Indiana, was completely negative.

MISCELLANEOUS

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ALL OATIONS OF JAMES PATRICK TESTA AKA NICKEY NORMAN

On October 8, 1947, an informant [redacted] who requested his name be kept confidential) advised that Testa, described by him as an associate with the hoodlum element in St. Louis, recently boasted in a tavern that he was instrumental in obtaining paroles in instant case and complained that he had never been paid.

JAMES PATRICK TESTA, 1456 West DeSoto, St. Louis, Missouri, Recording Secretary of Local No. 73 of the United Brotherhood of Carpenter Journeymen of America, in a signed statement related the following information.

Testa was a business associate of Edward Brady, alias Putty Nose, in the operation of a restaurant in St. Louis beginning in June, 1945, and until Brady's death. In September 1945 Brady requested Testa to go with him to visit Paul Dillon, a lawyer. Brady advised Testa that Dillon intended to make a trip to Washington "to see about getting Mike O'Neill made Chairman of the Federal Parole Board and to put the fix in." Testa gave Brady $200 to give to Dillon to defray expenses for his trip to Washington in order to "see Truman." Concerning the money, Brady stated he intended to get O'Neill on the Federal Parole Board and that they had about ten or twelve inmates they wanted released from the penitentiary. According to Testa, Dillon visited Washington and when Dillon returned Brady advised Testa "everything was pretty well straightened out." A few days after the first visit by Dillon to Washington, Testa was asked for another payment of $200 and was advised the money was to be used for the same purpose as the first $200. Brady and Testa visited Dillon and Dillon indicated that he had been to Washington and had seen President Truman who had referred him to Bob Hannegan. He claimed to have had an appointment with Hannegan the following Wednesday. Thereafter, Brady asked Testa for more money to give Dillon in order to make this trip to Washington to see Hannegan. Testa furnished $75 in cash and a $50 check. After Dillon returned, Brady claimed that Dillon double-crossed him in filling the Parole Board vacancy with a friend of Bob Hannegan. Dillon explained to Testa that he was unable to get the politicians back of Mike O'Neill and that one Lyons received the appointment. The visits to Washington by Dillon took place in September and October, 1945. During the conversations with Dillon, Brady had written on a piece of paper the names of individuals whom he desired to get released from prison. Testa remembers the names of "Little New York", Charles Dice, and Phillip D'Andrea. This list also contained a "price list" which set forth the amount that would be necessary for each particular inmate. Testa stated that he was present when Brady showed the "price list" to Dillon in his law office and that Dillon made a copy of it. Testa explained that it was his impression that the "price list" was in connection with negotiations for appointment of O'Neill.

EDWARD MICHAEL BRADY* was arrested in 1939, while a member of the Missouri Legislature, with John Nick on charges of third degree robbery.

(* See background information)

These charges grew out of Brady's collaborating with Nick in the extorting of money from movie owners in St. Louis. He was discharged on March 4, 1940. He died at St. Louis on October 2, 1945.

MICHAEL J. O'NEILL, employee in the office of the U. S. Collector of Internal Revenue, St. Louis, Missouri, upon interview on October 10, 1947, stated he had never applied directly or indirectly for a position with the U. S. Board of Parole, and that to his knowledge, no one has ever interceded in his behalf for such a purpose; that he has never discussed anything with Paul Dillon or Edward Brady which might be construed as an application by him for a position with the U. S. Board of Parole. He further stated that he had never discussed with Dillon anything relating to the releasing of Federal prisoners from U. S. penitentiaries. He admitted having been in Dillon's office with Brady, but declined to explain why he was there, other than to state that it was not in connection with a parole matter. He stated he had not seen Brady for a period of at least six months prior to Brady's death, and claimed Brady had never been sufficiently indebted to him politically to warrant Brady's engaging Dillon on his behalf for any kind of position.

The fact that O'Neill, a Federal employee, declined to explain his visits with Dillon and Brady was called to the attention of the Attorney General by memorandum dated October 24, 1947.

ALLEGATION RE SENATOR HARRY F. BYRD (D.-VA.)

A confidential informant of the [redacted] Division [redacted] familiar with the criminal element in New York City) related that on an evening in February, 1944, at the Westwood Supper Club, a night club near Richmond, Virginia, he overheard some conversation concerning a parole for Paul DeLucia. This club is operated by Vincent "Jimmy" Speransa whom the informant describes as a friend of Senator Byrd of Virginia and who has underworld connections with a Chicago gang. The informant stated that on the same evening in question Senator Byrd was also in attendance at this night club. After Senator Byrd's departure, he states he overheard Vincent Speransa inform the wife of Paul DeLucia not to worry about the case because the Senator is willing to assist in the matter. [redacted] whom the informant described as a [redacted]

The informant subsequently related that during [redacted] at the Westwood Supper Club, he recalled overhearing Speransa inform Mrs. DeLucia that Senator Byrd had told him nothing could be done to help Paul DeLucia because of possible bad publicity, but that when his parole came up, he would be released quickly. At the time of the second interview with the informant, he stated that on further reflection [redacted] b7D

As soon as this information was received, a memorandum was prepared for the Attorney General dated October 17, 1947, inquiring as to whether he desired the Bureau to investigate this matter and specifically whether Senator Byrd should be interviewed. This memorandum was returned by the Attorney General on October 20, 1947, with a notation that interviews should be conducted.

SENATOR HARRY F. BYRD was interviewed on October 21, 1947, at Winchester, Virginia, and he stated he was not acquainted with Vincent Speransa and had never at any time been present at the Westwood Supper Club. He advised that he knew nothing about the subjects of this case and had been approached by no one regarding any of them. He stated that the allegation was entirely erroneous.

VINCENT "JIMMY" SPERANSA, proprietor, Westwood Supper Club, Richmond, Virginia, stated that he was not acquainted with Senator Byrd, had never met him, and that to his knowledge Senator Byrd had never visited the Westwood Supper Club. He denied knowing Mr. and Mrs. Paul DeLucia and stated that to his knowledge they never visited his establishment. He denied making any overtures to Senator Byrd or anyone else in behalf of a parole for Paul DeLucia or any of the

subjects involved. Speranza indicated that the Mrs. Conchetta Boccia Troise referred to as Ralph Boccia's sister was Mrs. Conchetta Boccia, the wife of Ralph Boccia. Speranza stated that Mrs. Boccia and Joe Bruno were probably present at a party given at his establishment in September, 1943, to celebrate the christening of his daughter. He pointed out that Mrs. Boccia and Joe Bruno were his daughter's Godparents.

NANCY DeLUCIA, River Forest, Illinois (wife of subject DeLucia), denied that she had ever visited the Westwood Supper Club, Richmond, Virginia, stating that she had never been in that vicinity in her life. She denied knowing Vincent Speranza and denied any knowledge concerning the obtaining of the parole of her husband, Paul DeLucia.

JOE BRUNO, Rego Park, Long Island, New York, advised he had no recollection of any closed party such as described by the informant in this instance and declared he had never met Mrs. DeLucia, had never heard the name before and had no knowledge whatsoever of her or her husband. Bruno readily admitted being present at the christening party given by Speranza in September, 1943, but denied that Senator Byrd or Mrs. DeLucia were present. Bruno denied knowing any of the subjects in this case and stated his only knowledge concerning their paroles was what he read in the newspapers.

MRS. RALPH BOCCIA, 1508 North Gower Street, Hollywood, California, denied that either Senator Byrd or Mrs. DeLucia was present at the christening party given by Vincent Speranza in September, 1943. Mrs. Boccia admitted knowing Mrs. Paul DeLucia but stated she was certain that Mrs. DeLucia was unknown to Speranza. Mrs. Boccia stated that she knew nothing concerning any closed party supposedly held at the Westwood Supper Club by Speranza in February, 1944.

ITALO-AMERICAN NATIONAL UNION

This is a fraternal and insurance organization chartered in the State of Illinois. The present president of this organization is Joseph Imburgio Bulger, Chicago attorney, who, as previously indicated, has represented the subjects of this case in a legal capacity. Subject D'Andrea was president of this organization for the years 1937, 1938 and 1939. It is reputed to have been dominated by the gangster element in Chicago, Illinois. All of the Chicago subjects of this case are reportedly members of this organization.

As indicated elsewhere in this report, Bulger is known to have been active in raising hundreds of thousands of dollars in connection with the bail bonds placed for the subjects at the time of their original arrest in 1943. It will also be recalled that allegations have been made that as much as a quarter of a million dollars was paid to secure the parole of instant subjects.

In an effort to determine whether or not any substantial amount of money may have been furnished through the Italo-American Union to secure the release and parole of the subjects, a check was made of the bank records pertaining to that organization from the period December, 1943 to September, 1947.

This organization maintains two accounts at the Northern Trust Company in Chicago, Illinois. Both of these accounts were checked as to deposits and withdrawals. However, no information of any special significance was developed.

For general information purposes, it is noted that the Italo-American National Union was chartered in Illinois in 1895 for the purpose of organizing Americans of Italian origin. The organization has $100,000 deposited with the Insurance Department of the State of Illinois. The organizational structure of the Union provides for national organization, but as a practical matter its activities are restricted within the confines of the middle western states. Organization members number about 5,000 people.

Personal accounts of Joseph Imburgio Bulger at the Oak Park National Bank, Oak Park, Illinois, were also checked but with similar results.

JOHN J. KUCINICH, was., John L. Kucinich, John Taylor; ESPIONAGE, LEAVENWORTH PENITENTIARY.

Under date of September 30, 1947, Kucinich sent a letter to the Attorney General in which he stated that while Cice was a fellow inmate at Leavenworth Penitentiary, Cice told him that two highly placed individuals were working for his, Cice, parole. He indicated he would furnish additional information if the Attorney General would send a representative to interview him. This letter was made available to the Bureau by Parole Executive Walter P. Urich on October 14, 1947.

Kucinich is presently confined at Leavenworth Penitentiary where he is serving a three and one-half year sentence imposed at Cleveland, Ohio, on November 26, 1945, for mail theft. He has a long criminal record. Kucinich recently made application for a parole on his own behalf but was denied. It should be noted that the main portion of his letter to the Attorney General consisted of an appeal for reconsideration of his application, and his contention that he possessed knowledge concerning Cice's parole constituted an incidental part of this letter.

Kucinich was interviewed by Bureau Agents at Leavenworth Penitentiary on October 17, 1947, at which time he advised that while Cice was incarcerated with him at Leavenworth, Cice indicated that he was very sure of being released on parole since he had a man named Dillon and Postmaster General Hannegan working on the case for him. Cice did not reveal what arrangements were being made on his behalf. Kucinich stated that Cice seemed certain of a favorable outcome of his interview with the Parole Board, and immediately after his interrogation by the Parole Board member (T. Webber Wilson), he stated to Kucinich, "Don't worry, my wife will be out front in a Cadillac to pick me up as soon as the letter comes from Washington."

Kucinich also advised that when he inquired of Cice as to the cost of arranging for his parole Cice replied, "You don't get anything for nothing." Kucinich had no further information to offer concerning this matter. He did advise that Cice had been very friendly while incarcerated with Mike Bondi, who was well known to the police in Kansas City, Missouri, and who was recently released from the Penitentiary at Leavenworth. He did not know whether or not Bondi would have any relevant information concerning this matter.

MICHAEL JOSEPH BONDI, former inmate, Leavenworth Penitentiary, Kansas City, Missouri, advised upon interview that he was well acquainted with Cice while they were both incarcerated in Leavenworth. He denied, however, that he had any information concerning Cice's parole other than the fact he was scheduled to be considered for release in July of 1947.

EDWARD PARISE, alias "BUCK"

Congressman John J. Rooney, Twelfth Congressional District, New York, advised that he recalled speaking personally to Director James V. Bennett of the Bureau of Prisons by telephone in January, 1947, on behalf of his constituents, the Parise brothers of Brooklyn, New York. He did not recall whether he had been contacted by Edward Parise or Gus Parise to make the contact with the Bureau of Prisons. The Parise brother advised him that he was a boyhood friend of Louis Campagna and for that reason desired to visit him in prison. In contacting Mr. Bennett, Mr. Rooney was advised that Campagna was a "big-shot hoodlum out of Chicago." The Congressman stated that upon learning of Campagna's identity he immediately told Mr. Bennett "to forget all about the request." Mr. Rooney advised that he was never approached by Parise again in this matter.

Augustine James Parise, Brooklyn, New York, stated that he knows nothing whatsoever about Louis Campagna and the other subjects involved in this case except that the family of Louis Campagna lived in the South Brooklyn neighborhood where he was brought up as a young child. Parise advised that he had never approached Congressman Rooney on behalf of Campagna. He indicated that his brother, Edward Parise was probably the one who had contacted the Congressman.

Edward Parise, former tavern owner and known associate of underworld characters, was located with considerable difficulty. He advised he had contacted Congressman Rooney for assistance in arranging a visit by him to Campagna at Leavenworth Penitentiary. He subsequently dropped the matter, however, due to lack of funds for transportation. He stated he desired to visit Campagna solely because they had been boyhood friends in Brooklyn; and that he has seen Campagna very infrequently since the year 1915. Parise stated he did not know the other subjects in this case and he denied having any knowledge concerning the manner in which instant paroles were obtained.

Parise advised that he visited Chicago on July 1, 1947 for the purpose of purchasing from a private individual a 1947 Buick automobile; that Mrs. Charlotte Campagna, wife of subject, loaned him $2400 to make this purchase. He has not yet repaid this loan and he denies that he did anything on behalf of subject Campagna which would influence Mrs. Campagna in making this loan to him. Parise claimed Mrs. Campagna agreed to loan him this money in April, 1947 while she was visiting relatives in New York City.

Charlotte Campagna, wife of subject, admitted having made the above-indicated loan to Parise. She maintained this was done on the basis of friendship and in return for many courtesies extended to her by Parise on her visits to relatives in New York City. She advised she had purchased the automobile involved from an automobile dealer in Chicago under a fictitious name, subsequently turning this car over to Parise. She denied Parise was requested to make any contacts in behalf of her husband's parole or to perform any other service in connection with her husband's affairs.

EDWARD T. REIDY

Edward T. Reidy, former member of the U.S. Board of Parole and present Director of Social Welfare, Providence, Rhode Island, was interviewed by Bureau Agents and stated that he recalls Emanuel Stern, attorney for D'Andrea having visited him and Parole Officer T. Wilson on three or four occasions. However, he did not recall Stern's visit to the Parole Office having been in connection with this matter. The names of the subjects in this case were unfamiliar to Reidy and he was unable to connect Stern with any of them. He knew of no overtures by Stern to any members of the Parole Board to influence or to exert pressure in order to obtain the parole of subject D'Andrea.

ALISON EDWARDS, WILLIAM YAROW, AND GEORGE KILLION

Alison Edwards, formerly with the Democratic National Committee, was interviewed at Washington, D. C., by Bureau Agents on September 24, 1947, regarding one William Yarow, who, according to the files of the Bureau of Prisons, was desirous of visiting subject Campagna in the penitentiary. Edwards advised that he did not know Yarow and has no idea who he may be. He claimed that he does recall that in the latter part of 1945 he was assisting George Killion of the Democratic National Committee for the purpose of raising funds and that someone whose identity he does not now recall but whom he believes to be an individual interested in politics in either Chicago or New York, came in the office of the Committee at the Mayflower Hotel in Washington and inquired as to how arrangements could be made for one, William Yarow to visit Campagna. Edwards then stated that he called James Bennett, Director of the Bureau of Prisons, and was advised that Yarow should write to the Bureau explaining his reason for wanting to visit Campagna. He stated that Bennett explained to him that Campagna was a racketeer and that when he told Killion about this, Killion instructed that no further action be taken in the matter and instructed that the memorandum which had been prepared be destroyed.

Following this interview, Edwards reontacted the Bureau's Washington Field Office on September 25, 1947, and advised that he had talked with employees at the Democratic Committee headquarters and also with Mr. Killion who happened to be in Washington and that none of these persons were able to remember the identity of the person who made the initial inquiry in this matter.

DANIEL M. WINKLER

Daniel M. Winkler of Beverly Hills, California, was interviewed by Bureau Agents inasmuch as his name appeared on the list of persons who corresponded with John Rosalli. He stated he has known Rosalli since about 1932 and that his acquaintance with him was purely social. He wrote to Rosalli regularly and tried to give him a summary of the activities in Hollywood inasmuch as he knew Rosalli was interested in what was going on. Winkler advised that the

first indication he had that Roselli was going to be paroled was when he received a letter from Roselli stating that he was going before the Parole Board. He claimed that Roselli never asked him for any favors while incarcerated nor did he ask him for any favors concerning his application for parole. He claimed that no one had put any pressure upon him nor was any effort made by him to facilitate the parole of Roselli.

CHAUNCEY BISHOP

Chauncey Bishop advised that he was assigned as Correctional Officer for a period of approximately two years in the visiting room of the U. S. Penitentiary, Leavenworth, Kansas, beginning in August, 1945. He recalled Eugene Bernstein, attorney, appearing at the penitentiary for the purpose of visiting Louis Campagna and Paul DeLucia. During these visits Bernstein was accompanied by an individual who furnished his name as Joseph Bulger, who listed himself as an attorney on the visitors form. At the end of the first visit in 1945, Bishop escorted Bernstein and Bulger from the visitor's room to the front office, and, just before leaving, Bernstein thanked him for his courtesies and during the hand shake placed a rolled money bill in his hand. Bishop immediately returned the money to Bernstein, advising him that he could not accept gratuity. Bishop reported the incident to Warden H. A. Hunter. Warden Hunter subsequently advised that he recalled some such incident, but no record was made of it.

Bishop identified the photograph of Anthony Joseph Accardo as the individual known to him as Bulger. During one of the later visits by Bernstein and Bulger at Leavenworth, Bishop was told by Bernstein that Bulger was not an attorney but a business representative handling the interests of Campagna and DeLucia.

JAMES FIORE

James Fiore advised that he is a caretaker on subject Campagna's farm at Berrien Springs, Michigan. He denied ever having been associated with Campagna in any rackets or business dealings. He indicated that last winter Mrs. Campagna had advised him that twelve or fourteen letters were needed in connection with Campagna's parole. She requested him to obtain two letters from individuals at Berrien Springs. In carrying out this request, he contacted Guy Heim and L. E. Lucas, both businessmen at Berrien Springs, and requested that they write letters to the Parole Board at Leavenworth in behalf of Campagna. Nothing was given to him or Lucas for writing these letters, according to Fiore, and they were not obligated to write the letters. Fiore indicated that he had not contacted anyone else for the purpose of writing the letters and that he had no particular reason to select Heim and Lucas except that he knew both of them well.

OTTO CHRISTENSEN

Otto Christensen was the attorney for John Roselli at the time of the original conviction in this case. Christensen advised he had absolutely nothing to do with Roselli's parole and had not been consulted either in person or by letter by anyone concerning the matter. He has not seen Roselli since his release, but that Roselli had called him on the telephone and thanked him for his interest in his case in New York and expressed the desire to see him sometime.

Christensen advised that he has performed no legal services for Roselli since the original trial except to send him a transcript of the trial, which, as he recalls it, had something to do with a habeas corpus proceeding. He did admit consulting with William Scott Stewart, a Chicago attorney, concerning Roselli's appeal. He has heard of no rumors concerning the parole of Roselli or any of the others and had not even seen any newspaper articles concerning the hearing which was recently held. He claimed that he received a letter during the week of September 22, 1947, from Stewart, asking for advice concerning the rights of counsel before a Congressional Committee. He did not answer this communication.

HAROLD W. SMITH

Harold W. Smith, business representative, Local 695 IATSE, Hollywood, California, advised that he had not heard of any rumors or, in fact, any information concerning the paroles of the subjects in this case. He did not know nor has he heard of any indications or rumors that there was any irregularity concerning parole.

WILLIAM W. FINK

William W. Fink, attorney, St. Paul, Minnesota, when interviewed by Bureau Agents, stated that he has not seen Emanuel R. Stern, D'Andrea's attorney, since Stern assisted in obtaining a parole for Fink's brother-in-law Edward A. Sloane. Fink advised he has no knowledge concerning this instant matter other than that which he had obtained through reading newspaper accounts of it. He did state that his reasons for originally contacting Stern in connection with his brother-in-law's parole was due to the fact that he, Fink, was not acquainted with the procedures in obtaining paroles, whereas Stern had the general reputation amongst attorneys of being very successful and a specialist in parole matters. He also advised that one Harris Reisner, a local underworld character, had suggested that Fink use his name when contacting Stern, stating that Stern was acquainted with Reisner and that this acquaintance might aid Stern in deciding to assist in the matter. Fink denied any knowledge as to Stern's method in obtaining paroles but stated he definitely has the reputation of being an expert in such matters.

GEORGE WOLF

The Justice Department files pertaining to the subjects which were formerly maintained in New York City and transferred to Washington, D. C. reveal the following information concerning George Wolf.

On March 15, 1943, George Wolf, attorney, New York City, advised Boris Kostelanetz by letter that Murray M. Olf had departed from New York City for Miami and that if Mr. Olf's attendance was necessary within the next few weeks he could produce him on two or three days' notice.

On May 3, 1945, a memorandum submitted by Kostelanetz indicated that George Wolf had contacted him on May 3, 1945, and stated that it was the desire of subjects Delsanda and Campagna to be moved from Atlanta Penitentiary because they felt the warden at Atlanta was discriminating against them. According to this memorandum, Wolf stated he had heard gossip to the effect that Kostelanetz was against such a transfer.

On August 7, 1945, the file reflects George Wolf called on Mr. Kostelanetz and stated he thought he might be substituted by the present counsel in the case concerning the mail fraud angle. He told Mr. Kostelanetz that the "clients" are considerably concerned about the pendency of the mail fraud indictment as, in due course, it would be of some interference with their possibilities of parole, and also that the indictment restrained preferences that may be afforded, such as trustee jobs. On August 9, 1945, Mr. Wolf telephoned Mr. Kostelanetz and stated that he was completely out of the Campagna case.

George Wolf on interview on October 9, 1947, at New York, stated that he has never met and has never had any dealings with any of the five subjects involved. He declared he has represented Murray Olf for many years and defended him in a mail fraud case about ten years ago. [redacted] He stated he recalls combatting Boris Kostelanetz in 1945 in regard to the transfer of some of the subjects, whose identities he cannot recall, from Atlanta Penitentiary to Leavenworth. He did this at the request of his client, Charles Fischetti of Chicago, Illinois, whom he represented when Fischetti was held as a material witness in this case. Fischetti told him that these friends of his were "having a hard time" at Atlanta and wanted a transfer to some other penitentiary. Mr. Kostelanetz advised Wolf that he could do nothing about such a transfer. Wolf was interviewed regarding his contact with Kostelanetz in August, 1945, re the nolle prosse of the mail fraud indictment. Wolf stated that he vaguely recalls that this interview with Kostelanetz was also made on behalf of Charles Fischetti and he believes that he had mentioned the nolle prosse to Kostelanetz at the same time he mentioned the transfer of subjects from Atlanta but he is not sure of this. He declares that after his original contact with Kostelanetz when he received no satisfaction he kept in touch with him because of the interest of his client Charles Fischetti. He stated he could not recall why he thought at that time he might be substituted as counsel for subjects concerning mail fraud angle except that it might have been indicated

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to him by Fischetti. In explaining why he apparently abruptly dropped the case after previously indicating he might be retained, Wolf declared he probably felt at the time that nothing would be done by the Government for a long time regarding the nolle prosse. He stated that he was never actually retained by any of the subjects as their attorney.

Charles Fischetti advised upon interview that he did not in any way participate in connection with the securing of the paroles in this case and that he had no knowledge concerning the manner in which they were obtained.

ALEXANDER FEINBERG

The U. S. Parole Board file reflects that on July 14, 1947, an attorney listed as "Feinberg, 401 Main Street, Camden, New Jersey," telephoned the U. S. Parole Board requesting an interview with Rosselli and he was advised that Rosselli had been transferred to the U. S. Penitentiary, Terre Haute, Indiana.

Alexander Feinberg, 210 N. Sixth Street, Camden, New Jersey, advised that he has had no dealings whatsoever with anyone by the name of John Rosselli. He stated that he has never represented an individual by this name, nor did he make any contact with the U. S. Board of Parole on July 14, 1947. Feinberg advised that he is the only attorney in the Camden area with the name of Feinberg. There is no record of any other attorney in Camden with that name.

CONGRESSMAN THOMAS J. O'BRIEN

Congressman Thomas J. O'Brien was interviewed regarding a letter fight promoter Jack Kerns had directed to him on April 24, 1947, requesting Congressman O'Brien to arrange a visit for him and a Colonel Charles Barrett with the subject Rosselli. The Congressman stated that he had never met Jack Kerns or Colonel Barrett and had no personal knowledge as to either of these persons. He indicated that it was his custom in such matters to help everybody he could and accordingly he had sent the letter to the Bureau of Prisons for their action through proper channels. He stated that he made no suggestions or recommendations as to the honoring of the Kern's request, leaving this decision entirely to the proper authorities. He stated that the name John Rosselli meant nothing whatsoever to him.

MURRAY OLF
SAM BEARD

On August 21, 1946, a confidential informant [redacted] a confidential informant of the [redacted] Division and [redacted] stated that he had heard rumors in Chicago to the effect that John Roselli and four associates had been transferred from Atlanta Penitentiary to Leavenworth through the efforts of one Beard, gambler in Washington, D. C. It was alleged that by permitting Congressmen and other influential persons to renege on gambling debts, Beard was able to effect a transfer of Roselli and his associates. It will be noted that Roselli was transferred from Atlanta to the penitentiary at Terre Haute, Indiana on September 29, 1946. b7D

SAM BEARD, a well-known Washington gambler, advised that he was acquainted with the subjects of this investigation but that he has never engaged in any activities with them. He stated that no one has approached him to do anything for the subjects in connection with either their transfers or paroles. He denied having any knowledge that they were up for a parole until he had observed the newspapers. He denied taking any action in connection with their transfers. Beard related that in his opinion no one in Washington engaged in racket activities had attempted to obtain transfers or paroles for the subjects either by furnishing financial support or by making contacts.

MURRAY OLF is reported Sam Beard's "lieutenant" in gambling activities in Washington, D. C. and operates the State-Wide News Distributor Service for local gamblers. According to the Department of Justice files maintained on the subjects, Olf was considered as a potential witness during their trial in New York on the charge of Anti-Racketeering. Olf advised that he was acquainted with all the subjects but that he had no personal knowledge regarding the activities of the subjects in the Anti-Racketeering case or concerning the mail fraud violations. He denied any knowledge concerning the efforts of anyone either to arrange a transfer for the subjects from Atlanta or in obtaining their parole.

THOMAS J. B. CULLEN

Judge John Bright,* Southern District of New York, the sentencing judge in the original case, advised that in an effort to obtain living quarters for a friend he had sought the assistance of an Orange County political leader named Cullen. Subsequently in December 1946 an Italian person whose name Judge Bright could not recall contacted the Judge to advise that suitable arrangements had been made on behalf of the Judge's friend. During this visit the unknown Italian inquired of Judge Bright if anything could be done about modifying Louis Campagna's sentence. Judge Bright revealed that he advised this man that his request was out of the question, whereupon the Italian stated, "Won't you reduce it a little, even just thirty days so Campagna will know I did something for him." Judge Bright has no information concerning the identity of this individual.

Thomas J. B. Cullen, identical with the Cullen mentioned by Judge Bright, is an editor for an insurance magazine and resides at Chester, Orange County, New York. Upon interview he recalled the contact with him by Judge Bright as related above. He stated that one Tony Coppola, a County detective working out of the County Court, Brooklyn, New York, had, at about the time of the above-mentioned incident, asked Cullen for an introduction to Judge Bright on behalf of a friend of his whom the Judge had convicted. Cullen described Coppola as an Italian politician and stated it was quite possible that Coppola had used this opportunity to approach Judge Bright.

Tony Coppola, Brooklyn, New York, was interviewed and denied that he had made any contact with Judge Bright on behalf of Campagna or of any other subject of this case.

RICHARD WALSH

Richard Walsh, President, International Alliance of Theatrical and Stage Employees Union, was interviewed because of the possibility that by virtue of his position he might possess relevant information concerning this case. Walsh stated that he did not know the subjects were to be released from prison until he read about the case in a New York newspaper. He had no information concerning any irregularities in connection with the obtaining of paroles of the subjects and had not heard any rumors to the effect that there had been any irregularities in connection with the paroles.

* Died March 24, 1948

LENA PANOZZO

Lena Panozzo has for fourteen years been an employee of the Italo-American National Union, 30 West Washington Street, Chicago, Illinois. She advised that she has known Phil D'Andrea and his family for many years, but is not acquainted with any of the other subjects in this case. On two occasions while D'Andrea was incarcerated in Springfield, Missouri, [redacted] b6 b7C [redacted] and that this was the sole reason for her visits to D'Andrea. Lena Panozzo denied any knowledge of any bribery in connection with the parole or any knowledge concerning the manner in which the paroles were effected.

WILLIAM J. HANLEY

William J. Hanley, attorney, Hoboken, New Jersey, advised that a year ago while in the Astor Hotel in New York, an unknown individual approached him and advised him of the case of John Roselli. He pointed out that Roselli was involved in the Willie Bioff Movie Racketeering case but had not done anything serious. This unknown individual requested Hanley to make some effort to obtain a parole for Roselli. Hanley inquired about a retainer and was advised that it was not possible at that time to give him money but that there would be money in the case later. This individual represented himself to be a friend of Roselli's. He indicated that Roselli was incarcerated in the Federal Penitentiary, Atlanta, Georgia. After the first meeting, Hanley received two telephone calls from the unknown individual but took no active interest in the case.

A few months after the meeting, Hanley needed money and decided to communicate with Roselli at the Atlanta Penitentiary in order to get Roselli's permission to act in his behalf. He advised that he was discouraged by Roselli's reply and by the fact that Roselli was unable to identify his friend who had originally contacted him. Consequently, he took no further steps in an effort to obtain a parole for Roselli.

EDWARD MONACO

Edward Monaco, Oak Park, Illinois, friend of DeLucia, advised that he had visited DeLucia while he was incarcerated in the Atlanta Penitentiary at the request of Mrs. DeLucia. This visit was in connection with the retaining of Attorney T. R. Rein by DeLucia for the purpose of securing bond for DeLucia between the time of the sentencing of DeLucia in the original trial and the time that the Court of Appeal would decide upon the appeal filed by DeLucia.

Monaco stated that he had known the DeLucia family for many years and had known DeLucia's wife's family for many years also. He stated that his father, Dr. A. Monaco, had been the family physician for both DeLucia's family and DeLucia's wife's family for many years.

Monaco stated that at the time Mrs. DeLucia was attempting to obtain an attorney to handle the bond for DeLucia, she had come to him asking his advice. He stated that he had had several contacts with Attorney Rein in connection with real estate deals that he had made in the city of Chicago, and that he had suggested Rein to Mrs. DeLucia since he had respect for his ability.

Monaco stated that he was known the subjects in this case, in addition to other individuals such as Jack Guzik, and Tony Accardo, and has handled real estate transactions for both DeLucia and D'Andrea.

Monaco stated that he had no knowledge of any irregularities in connection with the obtaining of the paroles by the subjects.

CHARLES GREEN

On August 22, 1947, a letter addressed to the President was received at the White House protesting the release of the subjects on parole, letter being signed by Charles Green, 6813 Clyde Avenue, Chicago, Illinois. Green did not name any of the parolees in his communication but indicated that his information was obtained concerning the release from the Chicago newspapers.

Charles Green advised upon interview that he has no personal knowledge regarding any of the parolees and indicated that he could not recall writing a letter to the President protesting the release. He admitted that his mind was hazy concerning the writing of letters and that he was in the practice of writing letters to the President when he had a strong feeling regarding any particular situation. He stated he had written several letters to President Roosevelt. He said he had developed a strong feeling concerning the release of the subjects of this case after reading newspaper articles appearing in the Chicago papers. According to Green, he had no personal knowledge whatsoever of the background of the subjects involved in this case.

SYNOPSIS OF THE ANTI-RACKETEERING MATTER INVOLVING BROWNE, BIOFF, AND THE SUBJECTS IN THIS CASE

[redacted] b3

The Anti-Racketeering case concerning Louis Campagna, et al, stems directly from a prior case involving George E. Browne and William Bioff. The Anti-Racketeering investigation concerning Browne and Bioff was initiated by the Bureau in May, 1941 upon the authority of the then Attorney General of the United States, Robert H. Jackson, after motion picture producer Joseph M. Schenck who was on trial in New York City on an income tax evasion charge furnished information to the United States Attorney's Office there that a number of motion picture producers had been paying tribute to Browne and Bioff for years in order to maintain labor peace in the movie industry.

In 1932 Browne, then business agent of the Stage Hands Union, Chicago, Illinois, was an unsuccessful candidate for the international union presidency of the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada, hereafter referred to as the IATSE. After Browne's defeat he returned to Chicago and met William Bioff with whom he later formed an association. In June, 1934 Browne again ran for the international presidency of the IATSE. He was supported by the Chicago Syndicate which sent a delegation of "strong armed men" to the convention and Browne was elected. The Syndicate at this time included in its membership such individuals as Louis Campagna, Paul DeLucia, Phillip D'Andrea, Charles Gioe, Francis Maritote, Frank Nitti, Ralph Pierce and John Roselli. After Browne's election, the Syndicate dictated that 50% of all extortion money secured from the motion picture industry was to be paid to the Syndicate. In order to protect its interest, the Syndicate directed Browne to appoint Nick Circella as his subordinate. In effect, Circella was to supervise the activities of Browne and Bioff in the rôle of contact men for the syndicate.

Following Browne's election, Browne and Bioff, with the aid of Circella, began extorting and collecting large sums of money from movie producers and they also collected money from the exhibitors of moving pictures, which collections date back in the Chicago area to 1934. Browne, Bioff, and Circella were able to extort this money under threat of strikes in the movie industry. This money extorted from the motion picture industry is estimated to have aggregated over one million dollars.

In 1935, on the representation that large sums of money were needed to combat the CIO activities and to extend the jurisdiction of the IATSE on the West Coast, the IATSE assessed a tax of 2% on all the members' salaries, and this assessment was again made during the year 1937. This assessment of 2% produced approximately $1,500,000.00, and over $1,000,000.00 of that sum was diverted and divided between Browne, Bioff, and the Chicago Syndicate.

The moneys received through extortions and through the misuse of union funds were divided pursuant to an agreement reached upon by the Chicago Syndicate, Browne, and Bioff during the year 1935, and under this agreement one-third went to Browne and Bioff and two-thirds went to the Syndicate.

Browne, together with Bioff, was indicted May 23, 1941, by the Federal Grand Jury in the Southern District of New York on a charge of violating Section 420a, Title 18, U. S. Code, commonly known as the Anti-Racketeering Act. On November 6, 1941, Browne and Bioff were found guilty of violating the Anti-Racketeering Act in that by use of threats, force, and fear they induced certain large motion picture companies (such as Loew's, Inc., Paramount, Inc., 20th Century Fox Film Corporation, and Warner Brothers Pictures, Inc.) to pay them sums totalling $550,000.00. Browne and Bioff were fined $20,000.00 each and sentenced to eight and ten years' imprisonment, respectively. Both were placed on probation for a period of five years, which sentence became effective at the conclusion of the prison term.

Circella was indicted and entered a plea of guilty in the Southern District of New York shortly following the Browne and Bioff trial, he being charged with violations identical with those with which Browne and Bioff were charged. On April 7, 1942, Circella was sentenced to eight years' imprisonment and fined $10,000.00.

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The individual parts played by each of the subjects in this Anti-Racketeering scheme follow.

LOUIS CAMPAGNA

It is again noted that the information which follows was secured from the brief filed by the Government in appellate proceedings in this case.

Evidence introduced at the trial of Campagna, et al, which began on October 5, 1943, disclosed that Campagna and Paul De Lucia, together with Frank Nitti, were the chieftains of the Syndicate. Campagna participated in preliminary conferences held at Riverside, Illinois, in 1934 with William Bioff and George E. Browne at which conferences the forces of the underworld were organized to elect Browne president of the International Alliance of Theatrical and Stage Employees.

Following the Louisville convention of the union in June, 1934 at which Browne was elected president, Campagna was present at a conference wherein it was indicated that the Syndicate through Browne and Bioff began their extortion activities. Originally Browne and Bioff were to divide the money extorted, keeping fifty per cent for themselves and giving the Syndicate fifty per cent. Campagna, De Lucia and Nitti also attended a subsequent meeting in Chicago where the proposed division of spoils was revised to two-thirds for the Syndicate and one-third for Bioff and Browne. These individuals were present in their capacity as chieftains of the Syndicate and directors of the enterprise at a meeting in Chicago when Bioff reported his successful extortions from a Chicago theater and when Bioff, Browne and Circella were ordered to tell the manager of the theater that unless "one of the boys" was put on the theater's pay roll at $200. per week, he could not operate the theater.

During the following years when Bioff, Browne and Circella extorted hundreds of thousands of dollars from producers and exhibitors in the movie industry, the Syndicate's share of the loot was delivered to Campagna and De Lucia. These two individuals met and discussed with Bioff and Browne their illicit business, the future and the creation of situations whereby they could get additional funds.

In handling the affairs of local 110 of the International Alliance of Theatrical and Stage Employees at Chicago, Campagna and De Lucia exercised control over this local. Campagna effectively appointed his representative, one Neal Bishop, to be an officer of Local 110 and obtained jobs for his relatives through the local as motion picture operators.

The extent of their power in handling the affairs of the International was shown by the purchase of sprinkler equipment for the homes of Campagna and De Lucia at the Union's expense. In consigning this equipment Campagna and De Lucia used pseudonyms to conceal the transactions.

In February, 1935, Campagna instructed Bioff to secure $20,000 in currency from the treasury of the Union. Bioff complied with Campagna's instructions and delivered the Syndicate's share to Campagna at his home. Campagna

and a group of friends were the beneficiaries of a lavish vacation at Malibu Beach, California, at the expense of the Union including the rental of an expensive summer home for their benefit and the services of a $154 per week employee of the Union who devoted his full time to acting as chauffeur for Capone.

When a movie studio failed to pay the demanded tribute to a union, Capone dictated the calling of a strike and directed Nitelli to obtain the loot when the money appeared not to be forthcoming from the company. When Nicoli desired to withdraw from his association with the Syndicate, Capone set forth the Syndicate's position as follows: "Anybody resigns, resigns feet first. You understand what that means."

PHILIP D'ANDREA

The source of the information which follows is the Appellate Brief filed for the Government with the United States Circuit Court of Appeals for the Second Circuit.

Evidence introduced at the trial disclosed that in June, 1937, Circella instructed a Chicago theater owner to place D'Andrea on the pay roll of the theater at $175 per week. D'Andrea's sister was also on the pay roll of this theater at $25 per week, but payments to her were discontinued and D'Andrea's payroll was raised to $200 per week. D'Andrea performed no work whatever for the money he received which was paid to him by check and during the ensuing years received $42,209.25.

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PAUL DE LUCIA

It is reiterated that the source of the information with reference to DeLucia's connection with the Anti-Racketeering scheme was secured from a brief filed by the Government in Appellate proceedings in this case.

Evidence introduced at the trial of Campagna, et al, which began on October 5, 1943, disclosed that Campagna and Paul DeLucia, together with Frank Nitti, were the chieftains of the Syndicate. DeLucia participated in preliminary conferences held at Riverside, Illinois, in 1934 with William Bioff and George E. Browne at which conferences the forces of the underworld were organized to elect Browne president of the International Alliance of Theatrical and Stage Employees.

After Browne was elected president of the IATSE at the Louisville convention in June, 1934, the Syndicate indicated that extortions from motion picture producers should commence. It was originally decided that the extortion money would be divided 50% to Browne and Bioff and 50% to the Syndicate. Subsequently, however, Campagna, DeLucia and Nitti attended a meeting in Chicago where the proposed division of spoils was revised to two-thirds for the Syndicate and one-third for Bioff and Browne. These individuals were present in their capacity as chieftains of the Syndicate, and directors of the enterprise at a meeting in Chicago when Bioff reported his successful extortions from a Chicago theater and when Bioff, Browne and Circella were ordered to tell the manager of the theater that unless "one of the boys" was put on the theater's pay roll at $200 per week, he could not operate the theater.

During the following years when Bioff, Browne and Circella extorted hundreds of thousands of dollars from producers and exhibitors in the movie industry, the Syndicate's share of the loot was delivered to De Lucia and Campagna. These two individuals met and discussed with Bioff and Browne their illicit business, the future and the creations of situations whereby they could get additional funds.

In handling the affairs of Local 110 of the International Alliance of Theatrical and Stage Employees at Chicago, De Lucia and Campagna exercised control over this local. De Lucia also arranged for the placing of relatives in lucrative union jobs through the Local.

The extent of the power exercised by De Lucia and Campagna in the affairs of the International is shown by the purchase of sprinkler equipment for the lawns of their estates at Union expense. In consigning this equipment these individuals used pseudonyms to conceal the transactions.

De Lucia contributed to the control of the Union by the Underworld by introducing Bioff and Browne to Charles "Lucky" Luciano and other notorious characters who were made available to Bioff and Browne should they find

"difficulties" in their work. Browne and Bioff, as a cover for the money extorted from various motion picture exhibitors in Chicago, utilized fictitious legal bills. Subject De Lucia assisted in securing these fictitious legal bills. During the time when extortion collections began to diminish, De Lucia instructed Bioff to collect the money "outstanding" from the major companies. In turning money over to De Lucia, Browne clearly identified the source of the funds.

At the time of Bioff's indictment in 1941 for a violation of the Anti-Racketeering Act, De Lucia advised him to flee to a plantation in Mexico.

CHARLES GIOE

The information which follows was secured from an Appellate brief filed for the Government in connection with this case.

Evidence introduced at the trial disclosed that Gioe first contacted Browne and Bioff in 1934. In 1936, Gioe and Frank Nitti attended the convention of the International Alliance of Theatrical and Stage Employees.

Gioe frequently attended meetings of the chieftains of the Syndicate at the Bismark Hotel in Chicago to which meetings Bioff came from time to time to make deliveries of extorted funds and to discuss the creating of conditions in order to secure additional funds. Gioe was identified as being one of the persons to whom Bioff gave the Syndicate's split of the extortion money.

In September, 1938, when Bioff was the subject of unfavorable publicity, he applied to Gioe for permission to officially resign from the Union with the understanding that he was to remain on the scene unofficially. Gioe approved the plan and directed Bioff to carry on his "work" unofficially. Gioe together with De Lucia discussed business affairs of Local 110 at Chicago with its Business Agent, John Smith, when Circella was not available.

In 1940 when Bioff was serving a short jail term in the Bridewell Prison in Chicago, Gioe conferred with Browne as to the necessity for any of "our people" to go to the 1940 convention of the Union, and Gioe did in fact attend the convention.

Later during the year 1940 Gioe informed Bioff that the Syndicate had ordered that Circella resign his connections with the Union. Bioff informed Gioe that if Circella was to resign he and George Browne would likewise resign. On the following day Gioe together with Louis Campagna contacted Bioff to inquire regarding his plan to leave the Union. Campagna in the presence of Gioe informed Bioff, "Anybody resigns, resigns feet first. You understand what that means."

Early in the investigation of this case when it was learned by the Syndicate that Bioff might be charged with the receipt of illicit funds, Subject Gioe as the Syndicate spokesman indicated to Bioff that he would assist in attempting to arrange a counterfeit defense should such charges be brought against Bioff. Following the indictment of Bioff and Browne in the Southern District of New York in 1941, Gioe took a directorial interest in the outcome of the indictment and inquired as to what their defense would be. Gioe also advised John Smith, the Business Agent of Local 110 at Chicago, to give false statements to the Government's representative.

In 1940, during a conversation with Browne, Gioe admitted that he never cared a great deal about the labor business and that he felt that the Syndicate should withdraw. He pointed out that the Syndicate was making money from other sources and that the group would probably be jailed if it continued its association with the Union.

JOHN ROSELLI

It is again noted that the information which follows with reference to Roselli's part in the Anti-Racketeering scheme was secured from an Appellate Brief filed by the Government in this case.

Evidence presented at the trial of John Roselli and others in the Anti-Racketeering case disclosed that Roselli was introduced to the conspiracy in 1934 while convalescing at a New York hospital. At this time Nick Circella told William Bioff in Roselli's presence "This is our man Johnnie. He's on the West Coast....." "There is nothing you or George (Browne) can do or say that we won't know."

In January, 1936, Roselli, Bioff, Browne and Circella were guests at Al Capone's residence in Florida and while there Frank Nitti told Bioff to put Roselli on the pay roll. In Roselli's presence, he stated he did not care what pay roll he was placed on but he wanted him paid. At first Roselli was paid $150 per week by padding the pay rolls of the union's locals on the West Coast. Later he was paid $194 a week out of certain monies which resulted from an extortion of Loew's, Inc. Roselli did no work whatever for his weekly payments and knew the source of the monies which were being paid to him in the form of currency.

There was evidence presented to show that Roselli was friendly and intimate with the co-conspirators in the case. He shared the same apartment at the Warwick Hotel in New York with Browne, Circella and one Zevin who was designated as Browne's secretary by the syndicate.

Roselli was a house guest on one occasion of Louis Campagna at Malibou Beach, California, when Campagna, Roselli and Bioff discussed Columbia Pictures, Inc., one of the intended victims. The subject matter of the conversation related to the failure of Columbia Pictures, Inc. to make payments to the syndicate. Bioff was ordered to call a strike at the company's studio when he saw the opportunity. Thereafter, in the fall of 1937, in order to enforce the collection of a $25,000 extortion, Bioff called the strike on Columbia Pictures, Inc. At that time Roselli was friendly with one Harry Cohn, the president of the company. Roselli interceded for Cohn after the studio workers had been out one day, and on Roselli's promise to guarantee Cohn's payment, Bioff permitted the studio to reopen. The money was not immediately forthcoming and Campagna at first pressed Bioff to have Roselli obtain the money from Cohn. Then through some unexplained manner, since neither Roselli nor any of the other defendants took the stand on their own behalf, Roselli somehow made peace with the Chicago group.

In May, 1937, the syndicate's power over the union was threatened by a riot in the union's hiring hall in Los Angeles. On instructions from the Chicago group, Roselli obtained guards and policed the offices of the union for which he received a separate payment.

It was established from the evidence presented that Roselli received illicitly some $50,000 during the years beginning in 1936 and ending in 1941, and that he fulfilled the function originally designated for him, namely, that of being the syndicate's representative on the West Coast to check up on Bioff and to help the syndicate's interest wherever it was necessary.

REQUEST FOR ADDITIONAL INVESTIGATION BY U.S. ATTORNEY, CHICAGO

Additional investigation in this case has been requested by the U.S. Attorney at Chicago. The Attorney General advised the Bureau to conduct the specific investigation requested by the USA. These requests for additional investigation are based on testimony in the Grand Jury hearings in this case. This testimony is secret and the Bureau is not aware of the content of such testimony, consequently the Bureau does not know the basis for the investigation requested and cannot evaluate the information developed as to pertinency or completeness. The Bureau is guided solely by the opinion of the USA in this regard. The following portion of this brief has been prepared under these limitations.

In a conference with SAC McSwain on November 19, 1947, the U.S. Attorney at Chicago, Otto Kerner, Jr., advised that he was in receipt of a letter from Mr. T. Vincent Quinn, Assistant Attorney General in charge of the Criminal Division, instructing that this case be presented to the Grand Jury. Mr. Kerner did not advise exactly what evidence was to be presented to the Grand Jury. However, the U. S. Attorney subsequently made several requests for additional investigation. These requests are listed as of the dates made.

November 25, 1947

Establish the relationship between Eugene Bernstein and Anthony Accardo in order to prove a possible conspiracy violation of Section 80, Title 18, U. S. Code, the False Claims statute which makes it an offense to make a false claim or a material false statement to the Federal Government. (EXHIBIT 40)

[redacted] b3

December 9, 1947

Determine the identities of the subscribers to telephone numbers listed as being called by long distance from the telephone of Tony Ricci, 125 Ocean Parkway, Brooklyn, New York. The list of toll calls was supplied by the U. S. Attorney.

Conduct a surveillance of subject Campagna when he makes a contemplated trip to New York.

Examine the bank account of T. Webber Wilson at Coldwater, Mississippi.

Determine the location and examine the bank account of Charles W. Fisher, U. S. Probation Officer, Chicago.

Locate and place under physicial surveillance Anthony Accardo, reputed Chicago underworld leader.

Locate and interview John Nick, who was arrested in 1939 in the company of Edward Michael Brady, alias "Putty Nose" Brady. Nick was allegedly involved in the extortion of money from motion picture house owners in St. Louis.

December 16, 1947

Identify and interview nine individuals who were paroled and left Leavenworth Penitentiary on August 13, 1947, the same date as the subjects were paroled, and determine the background, the nature of the offense for which these individuals were imprisoned, and whether they left the penitentiary with the subjects of this investigation.

Obtain a copy of a letter written to Senator Robert Taft by John James Kucinich, an inmate at Leavenworth Penitentiary.

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[redacted]

Investigate the O.K. Motor Service Company, 361 North Morgan Street, Chicago, to determine if subject Cioe or Tony Accardo has or had in the past any connection with this company.

January 23, 1948

[redacted]

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[redacted]

Establish the background, reputation and business activity of Francis J. Curry with particular emphasis being placed on proof that he is now or has been engaged in an illegal business. Curry's relationship with any of the parolees in this case was to be established. b3

January 28, 1948

Determine the reliability of a complaint received by the USA that Leavenworth Penitentiary Warden Hunter frequently visited with one of the subjects while confined in the Leavenworth Penitentiary Hospital and to establish the purpose for frequent visits to Chicago by the Warden's secretary prior to the time the paroles in this case were granted which visits, according to the complaint, could not be explained by any normal relationships she might have in Chicago.

February 4, 1948

[redacted]

February 19, 1948

Interview Mrs. Helen R. Brady of St. Louis, widow of Edward M. Brady, with respect to allegations published in St. Louis newspapers that she received a payment of $20,000 from Paul Dillon for her husband's efforts in behalf of the subjects in this case in connection with their securing parole.

March 9, 1948

[redacted] b3

March 16, 1948

[redacted] b3

March 29, 1948

[redacted]

June 4, 1948

Interview the six prisoners who were released from Leavenworth Penitentiary on August 13, 1947, concerning their activities on the previous day and to determine if the three subjects who were released from Leavenworth rode on the bus from the prison to Leavenworth, Kansas, on August 13, 1947.

June 9, 1948

Determine the facts surrounding the reception given at the Blackstone Hotel, Chicago, on January 24, 1948, following the wedding of Subject DeLucia's daughter to Alex Ponzio.

June 12, 1948

Interview Maury Hughes to determine the facts surrounding his purchase of an automobile about thirty days after the paroles in this matter were effected.

Interview Hughes, Howard Daley and Clyde Hood to determine where they stayed in Chicago in 1946 shortly after the close of the Santa Anita Race Track and to determine the nature of their business while in Chicago.

Interview Nash Adams who met Hughes, Daley and Hood in Chicago, to determine where he stayed in Chicago if he was there at that time and the nature of his business.

Interview Fortune Gallo, president of the San Carlo Opera Company, relative to information furnished by Ned Bakes of Chicago. Bakes was reportedly introduced to Earl Welch, a Los Angeles attorney, by Gallo, and Welch then introduced Bakes to Maury Hughes. The premise has been advanced that possibly Bakes is identical with the "Mike Ryan" who has not been identified and who is the individual who paid Hughes his $15,000 fee for his work in this case.

Determine the identity of Mae Belcher.

June 24, 1948

Examine the records of all branches of the Corn Exchange Bank located in the vicinity of the Commodore Hotel, New York City to locate a cashier's check allegedly purchased by "Mike Ryan" for Maury Hughes. If any record of this check is located, the bank employees involved in its issuance are to be interviewed in an effort to identify "Mike Ryan."

June 29, 1948

Check the records of the Commodore and Park Lane Hotels in New York City and all hotels within two blocks of the Commodore and Park Lane to determine if Maury Hughes, "Mike Ryan" or a Mr. Siebers was registered in May, 1947. If such a registration is located, banks in the immediate vicinity of the hotel where such registration is located are to be checked to locate any reference to a $14,000 cashier's check purchased for Hughes. If this investigation is negative the U. S. Attorney requested that Hughes be recontacted and interviewed relative to the $14,000 transaction.

July 2, 1948

Obtain a photostatic copy of the registration card and hotel bill of Maury Hughes at the Chatham Hotel, New York City covering Hughes' visit there in May, 1947. Determine the telephone calls made from Hughes' room at the Chatham Hotel at this time and check the records of any other hotels called in an effort to locate a registration for "Mike Ryan" or a Mr. Siebers. U. S. Attorney does not desire any additional canvassing of New York hotels to locate this registration. He also indicated that it was not necessary to determine the fellow guests of Hughes in the suite of the Chatham Hotel.

Obtain a photostatic copy of the bank records concerning the $14,000 transaction in which Hughes was involved on May 6, 1947. Locate and interview the former employees of the bank involved in this transaction and exhibit Hughes' photograph to them.

Interview Dwight Bartlett, former manager of the Hotel Chatham concerning the individuals regularly using the hotel suite occupied by Hughes, particularly in an effort to identify "Mike Ryan." The U. S. Attorney indicated it was not necessary to interview the Michael Ryan who was a guest at the Commodore Hotel. The U. S. Attorney did request that he be furnished background information with reference to the Fmby Distributors and its officers. It was this concern that rented the hotel suite occupied by Hughes.

RESULTS OF INVESTIGATION CONDUCTED AT REQUEST OF USA

Request Made November 25, 1947

ASSOCIATION OF BERNSTEIN AND ACCARDO

An examination of the Trans World Airline records disclosed that an individual by the name of Bernstein was a passenger on a flight between Chicago and Kansas City on August 12, 1947, leaving Chicago at 3:43 P.M. The Airline hostess on this flight, while recognizing a photograph of Bernstein as a passenger on one of her recent flights, was unable to advise which flight. She was unable to identify Accardo.

An examination of the records maintained by the management of the building located at 77 West Washington Street, Chicago, Illinois, where Bernstein maintains his law office, failed to reflect that Accardo visited this building after regular office hours since his name did not appear on the records maintained of night visitors. No records are, of course, maintained of people entering the building during regular office hours.

Records maintained by the telephone company in Chicago reflect that between April 10, 1946, and June 20, 1947, ten telephone calls were made from the telephone in the office of Attorney Bernstein to the home telephone of Anthony Accardo. Between December 3, 1946, and November 1, 1947, sixteen telephone calls were made from Bernstein's phone to the telephone in the home of Subject DeLucia. Between March 8, 1946, and November 10, 1947, thirteen telephone calls were made from Bernstein's telephone to the telephone in the residence of Subject Campagna.

It was ascertained from the records of the Muehlebach Hotel in Kansas City, that an individual by the name of E. Bernstein, 77 W. Washington Street, Chicago, was registered as a guest at this hotel at 8:25 P.M. on August 12, 1947. He was originally assigned to Room 414 but later on the same date was transferred to the penthouse room, #1136-40. Bernstein's reservation at this hotel was made by another guest there, identified in the hotel records as Frank Murphy, 3100 North Sheridan Road, Chicago. Investigation at that address disclosed no one by the name of Frank Murphy was known there, however, Charles, Rocco and Joseph Fischetti, well-known Chicago underworld characters reside in Apartment 11F of the building

at this address. Employees of the Muehlbach Hotel were unable to identify photographs of Bernstein and Accardo.

Three telephone calls to Chicago were made from the hotel room occupied by Frank Murphy. One of these calls was to a telephone listed to Henry Steinborn, 6 East Lake Street, Chicago. Steinborn is allegedly a wholesale distributor of magazines. Money is removed by an armored car company daily from the premises occupied by Steinborn. The safe at this location was ordered from the armored car company by an individual known as James Healey. It would appear from the transactions being handled by the armored car company that possibly Steinborn's premises are being used in bookmaking activities.

A second call was made to the telephone listed to the Seneca Hotel, Chicago. Subject Gioe resides at this hotel as does Louis Pelton, his parole advisor; Harry Ash who was originally Gioe's parole advisor and Sidney Korshak, Gioe's attorney. The third telephone call from Murphy's room was made to the Sheraton Hotel, Chicago. While the individual at the Sheraton Hotel called could not be ascertained, it is noted that an individual known only by the last name of Dillon from St. Louis, Missouri, was registered at this hotel on August 12, 1947, and checked out on August 14, 1947.

VISIT TO CHICAGO BY PAUL DILLON

Dillon's account at the Sheraton Hotel, Chicago, covered the rental of four rooms between August 12 and August 14, 1947. No information was available in the hotel records as to the occupants of these rooms; however, the bill for this period in the amount of $90.60 was not paid until August 29, 1947. On that date Dillon's bill in the amount of $164.61 was paid in cash. This figure was reached because of a second debit of $66.01 made on August 27, 1947. This latter charge was for rooms occupied from August 22 to August 27, 1947, by the following individuals: E. F. McKenna, 6011 Washington Street, St. Louis, Missouri; Rita McKenna, St. Louis, Missouri; Mr. and Mrs. Paul B. Brown, 7401 Somerset Avenue, Clayton, Missouri, and an individual identified only as "Clancy", no address given. Hotel employees were unable to furnish any further information with reference to this transaction or the people involved. It was ascertained from a confidential source in St. Louis that Attorney Paul Dillon was in Chicago and stayed at the Sheraton Hotel from about August 12 to August 14, 1947.

Investigation at St. Louis disclosed that Eugene J. McKenna, of 6011 Washington Street, is a foreman employed by the Union Electric Company. [redacted] also resides at the same address. No connection between these individuals and Paul Dillon was established. However, Paul B. Brown, 7401 Somerset Avenue, Clayton, Missouri, is identical with Paul Beverly Brown, a professional bondsman and formerly the manager of the

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Pioneer News Service which furnishes race track results. Brown is now allegedly associated with the American News and Publishing Company of Chicago which also furnishes wire service relative to race track results, and is allegedly controlled by criminal elements. Brown and Attorney Paul Dillon have mutual friends and have been in close contact with each other for many years. The individual residing at the Sheraton Hotel under the name Clancy was not identified. b3

[redacted]

With respect to the investigation requested by the USA on November 25, 1947, a specific discussion was had with USA Kerner who advised that investigation conducted was sufficient for his purposes.

ACTIVITIES OF SUBJECTS IMMEDIATELY FOLLOWING RELEASE FROM PENITENTIARY

Employees of the Muehlbach Hotel, Kansas City, were unable to recognize photographs of subjects as having been at this hotel on August 13th after their release from the penitentiary. Records of the hotel do reflect that food for eight people was delivered to the room occupied by Frank Murphy on August 13, 1947.

TWA records reflect that the flight used by Bernstein, Campagna, DeLucia, and Cioe in going from Kansas City to Chicago on August 13, 1947, is No. 388, which leaves Kansas City at 3:15 P.M. The reservation list for this flight has been destroyed by the airline. The manifest, however, indicates that eighteen passengers were transported on the flight. Only thirteen names were on the manifest. Bernstein was listed as having used six tickets. No names were shown for the individuals accompanying him. Of the remaining passengers, six were listed only by a common last name. Investigation to identify these persons was negative. Six passengers were identified and located. Photographs of Campagna, DeLucia, Cioe, Accardo, and Bernstein as well as Rocco and Charles Nicoletti, were exhibited to these passengers and the Hostess on the flight. None of the passengers was able to identify Bernstein or the persons accompanying him. The Hostess positively identified Eugene Bernstein as being on the flight. She stated he was accompanied by five men. She was unable to identify the individuals accompanying Bernstein on this flight.

As previously noted under the portion of this brief discussing the activities of Bernstein (page 58) he, on interview, said he had arranged the transportation from Leavenworth to Chicago for subjects Campagna, DeLucia and Gioe. When questioned as to the details of this transportation, Bernstein flatly refused to discuss the matter, other than saying that the automobile used to drive to the Kansas City Airport was driven by a chance acquaintance whom he would not identify. The three subjects also said they could not identify the person accompanying Bernstein and claimed they went directly to the airport and enplaned for Chicago.

Request Made December 9, 1947

PERSONS CALLED BY TONY RICCI

The identities of subscribers to Chicago telephone numbers called by Tony Ricci, as made available by the USA, were determined. The individuals called were apparently not pertinent to this investigation with the exception of one telephone call, which was made to the residence of subject Paul DeLucia.

[redacted] CHARLES W. FISHER b3

[redacted] Investigation at Chicago previously conducted in October, 1947, failed to reflect that any bank account was maintained there by Charles W. Fisher. However, an account for his wife, Carrol M. Fisher, 11322 South Forest Street, Chicago, was located at the Pullman Trust and Savings Company, 111th Street and South Park Avenue, Chicago. Mrs. Fisher maintained both a checking and savings account and the total deposits by her just exceeded $1,000. There was no deposit to the account in excess of a regular deposit of approximately $169, which was made every two weeks.

In connection with the request of the USA for surveillances of Louis Campagna and Anthony Accardo, the Bureau pointed out in a letter to the Attorney General dated December 10, 1947, that there was no apparent basis for this investigation, that it would constitute an unwarranted utilization of manpower, and that this investigation would not be conducted in the absence of a specific request therefor. No such request has been received.

John P. Nick was interviewed at St. Louis on February 28, 1948. He advised that since being released from the penitentiary in March, 1945, he has had no contact with "Putty Nose" Brady or his associates. He denied ever knowing Brady's associates at Chicago and has no information concerning Brady's activities in behalf of subjects or about subjects' activities.

Request Made December 16, 1947

INDIVIDUALS PAROLED AT THE SAME TIME AS SUBJECTS

Investigation has disclosed that the following prisoners at Leavenworth

Penitentiary were paroled or conditionally released on August 13, 1947:

	Leavenworth Penitentiary No.
Herbert McGilton	58510
Max Alcana Baker	63446
Charlie Dan Warga	62306
Earl L. Sharon, Sr.	62103
Leon A. Edwards	62101
Profit Hanson	61302

All of these individuals used the transportation furnished by the prison and investigation failed to reveal that they accompanied subjects when they left the penitentiary.

REQUEST FOR INTERVIEW WITH SENATOR TAFT

The request by the USA that Senator Robert Taft be contacted in order that a letter written to him by John James Kucinich, a convict at Leavenworth Penitentiary, could be obtained was referred to the Attorney General by letter dated January 13, 1948, with a request for advice as to whether this investigation should be conducted. The Bureau's letter indicated that the investigation would not be conducted unless the Attorney General so instructed. No answer to the Bureau's letter has been received. b7D

[redacted]

O.K. MOTOR SERVICE

Investigation of the O.K. Motor Service, Inc., 361 North Morgan Street, Chicago, disclosed that it is owned and operated by Anthony A. Cosentino, his wife, and Nick J. Cosentino. This concern is a common carrier which operates a fleet of tractors, trailers and trucks in Indiana, Illinois and Wisconsin. A majority of the revenue derived by this company is for work done by Wisconsin breweries. The investigation did not indicate that either subject Dice or Anthony Accardo had any connection with this company.

Request Made January 23, 1948 b3

LOCATION OF WITNESSES FOR GRAND JURY

[redacted]

Request Made January 28, 1948

COMPLAINT RECEIVED BY UNITED STATES ATTORNEY RE WARDEN HUNTER

Mr. Mack Swisher, formerly a Leavenworth Penitentiary employee, telephonically contacted U.S. Attorney Otto Kerner, Jr. at Chicago, on January 28, 1948. Swisher is now employed by an automobile agency in Chicago. Since his retirement Swisher has been in correspondence with other retired employees from the penitentiary who still reside in Leavenworth, Kansas. Swisher's correspondents were identified as Mr. E. N. Smith, 21 Shawnee Street and Mr. Joe Bernard, Planters Apartments, both Leavenworth, Kansas. Swisher advised the U.S. Attorney that according to information furnished to him by these individuals who have maintained their contacts with employees at the prison, Warden Walter A. Hunter made daily visits to one of the subjects of t is investigation while that subject was in the prison hospital. It was further alleged that when Eugene Bernstein, Chicago attorney, visited the prison he talked with the Warden for as long as an hour on each visit. It was also alleged that the Warden's secretary, Miss Mary Jennison, made several unexplained visits to Chicago prior to the time that the paroles in this case were granted.

Joe Bernard advised that the information furnished by him to Swisher was based upon statements made to him by E. N. Smith who is presently employed as a guard at the penitentiary. He said that in addition to the information furnished by Smith he had talked to a number of guards at the penitentiary. He said he believed these guards were Glenn Jones and Victon H. Downing. Bernard was unable to recall any specific facts mentioned to him by these individuals.

E. N. Smith advised the only information he had in this matter was strictly hearsay. Smith has not been at the penitentiary since November 24, 1947, when he had an accident which incapacitated him. Smith said the hearsay evidence he referred to consisted of remarks made by prison guards whose identity he does not now recall to the effect that Warden Hunter had visited with one of the subjects in the prison hospital for an hour at a time and that these visits were on an almost daily basis. Neither Smith nor Joe Bernard could furnish any information concerning alleged visits with Warden Hunter by Eugene Bernstein or any unusual circumstances surrounding visits to Chicago by the Warden's secretary.

Leavenworth Penitentiary employees Victon H. Downing, Glenn Jones, Chauncey Bishop, Leslie O. Allen and R. F. Ryczik were also interviewed and none of them could furnish any information substantiating the original allegation. None of them had any information concerning any regular visits made with Warden Hunter by Eugene Bernstein and it was indicated that visits by the Warden to the prison hospital were in the nature of inspections on which occasions the Warden would stop and speak to the inmates only briefly. There was no indication that

the Warden spoke to any of the subjects of this case other than in a cursory manner during such inspection trips. The investigation also developed that over an extended period of time the Warden's secretary had regularly visited Chicago and had told her co-workers at Leavenworth Penitentiary of these visits with her friends in Chicago.

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b7C

BACKGROUND AND ACTIVITIES OF FRANCIS J. CURRY

Francis Jerome Curry was born December 12, 1902 at Joliet, Illinois. His parents, Robert E. and Mary McCranery Curry, are reported to be deceased as are his two brothers, Robert, Jr. and Hubert. Curry is married to Marion Zaler Curry and he has [redacted]

CURRY'S ACTIVITIES IN SLOT MACHINE BUSINESS

Edward Ross, 627 Richmond Street, Joliet, Illinois, advised he was hired by Curry in 1939 to service pin-ball and other similar machines owned by Curry. Curry maintained a business address at the Shepley Motor Express in Joliet where Ross received calls for service to the machines. He worked for Curry about three or four years.

James Shepley, operator of the Shepley Motor Express, advised that Curry had for many years rented space from him under the name of the Illinois Distributing Company. Shepley stated Curry had stored slot and pin-ball machines there. He advised the last of these machines were removed in 1947 by the Joliet Police Department in the course of a raid. However, a number of broken pin-ball machines are still stored there. Glen Kelly, brother of Leahm Kelly, deceased, who was known as the "Juke Box King" of Joliet, Illinois, was interviewed together with his brother, Dennis Kelly, business agent for Local #174, Bartenders', Hotel and Restaurant Employees Union. Both Glen and Dennis Kelly expressed the belief that Curry gave the order or had a part in having Leahm Kelly slain in the fall of 1946. Glen was associated with his brother, Leahm, at that time and has since operated the juke box business known as Coin Machine Service. The Kellys advised that the Lincolnshire Country Club located east of Steger, Illinois has operated slot machines for many years. They are of the opinion that Curry owns these machines.

Ernest Overby, former Chief of Police at Joliet, Illinois, received information from Thomas Rowland, Sr., local head of the Stage Hands' Union, to the effect that Curry had in the past frequently left Joliet with a suitcase of money, which was described as having amounts in it ranging up to $100,000 or more. Rowland indicated that Curry used the money to promote Capone Syndicate activities.

Frank Capista, 629 State Street, Lockport, Illinois, advised that the Three Deuces Tavern at New Lenox, Illinois, was owned for many years prior to 1946, by his mother. He said that three slot machines had been operated in this tavern, which machines were owned by the Illinois Distributing Service, Curry's company.

Meroni Freehauf, 1304 State Street, Lockport, Illinois, operates a handbook at that address. This handbook occupies the entire second floor of the building at that address and attracts a great many people. Approximately 100 people were in the establishment when Freehauf was interviewed. It is common knowledge in Lockport that the handbook is owned by Curry. When asked why handled Curry's end of the receipts from the handbook during his absence Freehauf replied that Curry trusted him to take care of it.

Art Mutchler, an ex-convict who possesses an extensive criminal record, operates a tavern known as the "Ranch" at Lamont, Illinois. Mutchler admitted disliking Curry. Mutchler said he worked for many years for the Chicago Syndicate taking care of their slot machine interests in counties near Chicago. His immediate supervisor in the Syndicate was Eddie Vogel. He stated that Curry suspected him on several occasions of hijacking some of Curry's slot machines and that Curry on one occasion accused him of this and reported him to the Syndicate. Mutchler said, however, he was able to prove he was in Florida at the time.

George Martis, 705 Garnsey Avenue, Joliet, Illinois, a tavern owner, advised it was common knowledge that Francis Curry controlled all the slot machines in Will County. Martis stated he had never operated any of Curry's machines. He also advised that even though being well acquainted with Curry he disliked him very much. Martis advised that at the present time Curry controls the punch boards in Will County and that these are serviced by his handyman, Frank Sanello. Martis stated that Curry also owns a bookmaking establishment at Lockport, Illinois. Concerning Curry's present activities in connection with the operation of slot machines, Martis stated he knew of his own knowledge that Curry had four machines presently operating in a colored house of prostitution on Patterson Road in Will County, Illinois.

Arthur Janke, Mayor of Joliet, Illinois, advised he was acquainted with Francis Curry and knew him to be a "hoodlum". The Mayor stated that in the past Curry had operated slot machines in Will County and that at the present time he had punch boards in Will County taverns and operated a bookmaking establishment at Lockport. The Mayor stated definitely that Curry did not operate within the city of Joliet. Subsequent to this interview, Commissioner John Barney, Water Department, City of Joliet, was interviewed in his office. Commissioner Barney stated that to his knowledge Francis Curry was "a fine fellow." This was mentioned just as Mayor Janke stepped into Commissioner Barney's Office and the Mayor was noticeably embarrassed at the statement of Barney.

Mrs. Ivy Minger, New Lennox, Illinois, advised she has known Francis J. Curry for fifteen years. She stated that during the period between 1935 and 1939 Curry was active in the slot machine business in Will County. She stated that she had observed him entering the "Three Duces" Tavern and other similar establishments in New Lennox, to make collections from these slot machines. She said that he always traveled in high-powered expensive automobiles and was accompanied by a bodyguard who carried a machine gun. She was unable to identify the bodyguard.

Mr. Wilbur Walsh, a gasoline dealer at New Lennox, advised he was approached by persons he could not now identify in 1939 for the purpose of putting slot machines in his gasoline station. These machines were taken out in about a year because they were unprofitable. Walsh stated he knew that Francis Curry was connected with the slot machine business in Will County at that time but he did not know whether Curry owned the machines that had been placed in his gasoline station.

Maurice R. Adler, owner of the "Little Jack's" tavern, Joliet, Illinois, stated he was approached by a woman he knew only as the hostess in the dining room of the Louis-Joliet Hotel who indicated she would like to buy Adler's tavern. According to Adler she told him she would have no difficulty in getting slot machines and dice games in the tavern because she was a very good friend of Francis Curry. Adler advised he knew of several taverns in Will County where slot machines were presently operating. He was unable to state, however, who owned them. Adler advised that he purchased his tavern on December 1, 1944, from Jack Patota alias "Little Jack" Potato, a close associate of Curry. Adler further advised that he had seen "Snuffy" Sanello, right-hand man of Curry, sometime around the end of January or the first of February. At that time Adler asked Sanello when he could open up the slot machines at his tavern. Sanello said that the slot machines could be put in operation "when things open up." Adler also advised that Sanello supplied the punch boards and tip jars in connection with his tavern.

Randolph Chally, tenant farmer on Subject DeLucia's farm, advised that a new refrigerator had been obtained for the farm in either 1943 or 1944 and at that time Chally went to Shepley's Warehouse in Joliet with two employees of Curry to pick up the refrigerator. At that time Chally saw several slot machines and other coin-operated amusement devices in the warehouse.

Albert Stengele, a tavern owner at Joliet, advised that the slot machines in his tavern are presently in locked cases. They have not been used during the three years Stengele owned this tavern. Stengele advised he had asked Francis Curry personally on several occasions when he would be allowed to operate these slot machines. According to Stengele, Curry shrugged his shoulders in response to his inquiries. Stengele added that Curry in the past controlled the slot machines in the Joliet area and if any were in operation at the present time Curry would still maintain their control. He said he did not know of any slot machines which were presently operating.

Joe Quaresima, owner of the Walnut Grove Tavern, Plainfield Township, Illinois, advised that there are two slot machines in the Walnut Grove Social and Civic Club which operates in connection with the tavern. These slot machines are presently in operation. Collections from them are made by an individual known to Quaresima as "Little Jack" who is identical with Jack Patota.

Two slot machines are presently in operation at the Grandview Stand

owned by Angelo Pappas in Kendall County, Illinois. Pappas advised that the slot machines had been in his place of business for approximately seven years. He said that the machines are serviced by Frank Ganello.

POLITICAL CONNECTIONS OF FRANCIS J. CURRY

George Clare, manager of the Joliet office of the Chicago Motor Club, advised he has known Curry since they were boys. Clare and his wife occasionally meet socially with the Currys. Clare stated that Curry and A. F. Schupp, Chairman of the Republican Committee of the State of Illinois, are very close friends. Similar information was made available by Ernest E. Overby, former Chief of Police at Joliet.

Glen and Dennis Kelly, identified above, advised that A. F. Schupp does Curry's bidding. The Kellys indicated that Virgil Floyd, business agent of Local 179 of the Teamsters' Union, had purchased a fleet of trucks last year and was using them to haul stone and other road material for the Walsh Oil Company. The Kellys believe that it was Curry's financial backing that purchased the trucks. It was indicated that the Walsh Oil Company secured lucrative public contracts through Schupp at Curry's insistence. The Kellys also indicated that whenever there is "big money" to be made in Will County in gambling, politics, or labor, Curry has "a corner on it all." The Kellys also indicated that Commissioner of Police William Mead of Joliet is a pawn of Curry and that some members of the police force there go directly to Curry to ask for promotions and choice assignments. The Kellys also advised that Gil Knater, now a Sergeant on the Illinois State Police, was Chief Deputy Sheriff of Will County from 1938 to 1942. According to the Kellys, Knater did business with Curry and has remained friendly with him since that time.

Information was received from Art Mutchler, Lamont, Illinois, Tavern owner, and ex-convict, to the effect that Curry's uncle, Mike Breen, was Sheriff of Will County from 1932 to 1936. Although not a regular Deputy Sheriff Curry was said to have a badge and to have frequently ridden in the Sheriff's squad cars.

William McCabe, Editor of the "Spectator," weekly Joliet newspaper and former Mayor of Lockport, Illinois, who was formerly State's Attorney of Will County, advised that Curry and A. F. Schupp presently run both Will County and the City of Joliet. He said Curry is strong enough to prevent anyone else from operating in the county. McCabe in his newspaper publicized the big road-paving contracts which were awarded the Walsh Oil Company and criticized A. F. Schupp in this regard. At the time Curry came to see McCabe in the latter's office and asked him to "lay off" Schupp in the paper. McCabe said that he merely asked Curry when the latter had gotten into the road-paving business to which Curry did not reply. Previous to Curry's visit McCabe was visited by an individual

identified only as Tony Perry who told McCabe that he was letting himself in for a lot of rough handling because of his attacks on political figures in Joliet and Will County. McCabe suspected that Curry sent Perry to see him but Curry denied this. McCabe advised that Commissioner of Police, William F. Mead, and Commissioner of Water Barney are "under Curry's thumb" as is the Chairman of the Police and Fire Board, Mrs. Ford June.

George Martis, Joliet tavern owner, advised that Francis Curry is the controlling political figure in the City Government of Joliet, Illinois. Martis said that Curry was the individual who put up the money to have former Chief of Police Overbey removed from office and that Curry presently has complete control of the Joliet Police Department. According to Martis, Curry's "man" in the Police Department is Police Officer Marty Hartford. Martis said that Hartford personally told him Curry financed the movement that resulted in the removal of former Police Chief Overbey.

Mayor Arthur Janke of Joliet advised he was acquainted with Francis Curry and knew him as "a hoodlum." The Mayor said, however, that Curry was not allowed to operate in the City of Joliet. The Mayor claimed that during past elections he had been offered campaign contributions which he knew originated from Curry and that such contributions were immediately and firmly rejected. The Mayor stated he did not want to become obligated in any manner to Curry. b3

Request Made February 4, 1948

[redacted]

Request Made February 19, 1948

[redacted]

Mrs. Helen M. Brady, 4029 Palm Street, St. Louis, Missouri, the widow of Edward M. Brady, alias "Putty Nose" Brady, was interviewed on February 21, 1948. She advised that the newspaper article published in the St. Louis Post Dispatch on February 18, 1948, was incorrect in all respects. She stated she had never received any money whatsoever from Attorney Paul Dillon nor his associates. She said that she did not know Willie Heeney and had never been in the State of Florida. She advised that she had not been in Chicago since before the war and she was not well acquainted with any of her late husband's associates. Mrs. Brady stated she had not been interviewed by any members of the press and that the entire story appearing in the press was without foundation.

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[redacted]

[redacted]

Request Made March 16, 1948

[redacted]

Request Made March 29, 1948

EFFORTS TO IDENTIFY POSSIBLE GOVERNMENT WITNESS

Investigation previously reported was conducted to determine the activities of the subjects immediately following their release from the penitentiary. During the course of this investigation numerous individuals employed at the Hotel Muehlebach, Kansas City, Missouri, were interviewed. Among these individuals was Tony Flores, a room service waiter. Flores was interviewed on December 23, 1947. In March Flores advised that approximately a week after he was first interviewed in December a man whose identity was unknown to Flores came to the latter's residence in Kansas City. This individual was subsequently identified through investigation as Thomas J. Manfre, President of the Miscellaneous Hotel Employees Union, Local 655, 1108 Central Street, Kansas City, Missouri. Manfre told Flores that he was from the Waiters Union and without any preliminary

conversation further advised Flores that the latter had waited upon a group of men in a third floor room at the Muehlebach Hotel. He asked Flores if anyone had talked to him about this incident. Flores replied that he had been questioned by a Bureau Agent who had displayed photographs to him but that he had been unable to identify any of the photographs. Manfre then instructed Flores, "Don't identify pictures. You will get a cut." Flores stated he was not interested and, in fact, did not know what Manfre meant by "a cut." On the following day Flores received a telephone call from Manfre in which case Manfre indicated that he wanted to talk to Flores again. Subsequently a meeting between Manfre and Flores took place in a hall of the Muehlebach Hotel and Flores was again advised not to identify any pictures.

The information received from Flores was made available to the U. S. Attorney at Chicago who stated that he desired to have the matter gone into further. It was indicated by the U. S. Attorney that he would make available a group of photographs of the subjects of this case and various associates of the subjects who have testified before the Federal Grand Jury holding hearings in this matter. These pictures were subsequently made available by the U. S. Attorney and exhibited to Tony Flores who was unable to identify the photographs as being any of the individuals whom he had served on August 13 in the Muehlebach Hotel room. The failure of Flores to identify any of the photographs was called to the attention of the U. S. Attorney who did not request any further investigation. It was indicated by the U. S. Attorney that he would probably subpoena Flores as well as Thomas J. Manfre before the Grand Jury. No information has been received as to whether or not this course of action was followed by the U. S. Attorney.

Request Made June 4, 1948

As previously noted on Page 145, the six prisoners who were released from Leavenworth Penitentiary on August 13, 1947, the same date as subjects Campagna, Delucia, and Gioe, have been identified as Rex Alcana Baker, Leon A. Edwards, Herbert McGilton, Profit Ranson, Earl E. Sharon, Sr., and Charlie Dan Verga.

It was ascertained that Edwards has been returned to Leavenworth Penitentiary as a parole violator. This fact was brought to the attention of AUSA Miller, in the absence of USA Kerner and the request for the reinterview of Edwards was withdrawn. Baker and McGilton upon interview advised that they were released from the penitentiary together between 8:30 and 9 AM on August 13, 1947. No other individuals were released from the penitentiary with them. Baker stated that he saw subject Delucia at either the noon or evening meal in the prison on August 12. McGilton said he saw subject Gioe in the prison yard at about 4:30 PM on August 12.

Charlie Dan Verga stated he was released from Leavenworth Penitentiary with a group of other prisoners. Since Verga had been stationed on an honor farm outside the penitentiary, he did not know any of the other prisoners. He did not know any of the subjects who were confined at Leavenworth and was unable to identify any photographs of them. Profit Ranson said he was released

from the penitentiary on the morning of August 13, 1947, with eight other men. He identified photographs of subjects Campagna and DeLucia as being in the group of prisoners who left the penitentiary with him. Earl E. Sharon, Sr. was interviewed in the Green County Jail, Springfield, Missouri, where he was then incarcerated on a forgery charge. He said that he was released from the Leavenworth Penitentiary at about 11:30 AM on August 13, 1947. He said that all of the individuals in his group on checking out of the penitentiary boarded the bus there and rode to Leavenworth, Kansas. He identified photographs of subjects Campagna, DeLucia, and Gioe as being in the group of prisoners released with him.

Request Made June 9, 1948

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[redacted]

Request Made June 12, 1948

EFFORTS TO IDENTIFY "MIKE RYAN"

The investigation requested by the USA, Chicago, on this occasion was predicated upon information received by him while in Washington immediately preceding the request. The USA did not furnish any background for the investigation requested, but did state that Ned Bakes was possibly the mysterious "Mike Ryan" who engaged Maury Hughes, Dallas attorney, to obtain a dismissal of the mail fraud indictments against subjects in New York City. It is noted that Hughes testified before the Congressional Subcommittee holding hearings in this case that he received a $15,000 fee for his legal services in this

regard. Hughes testified that he received this fee from a "Mike Ryan" whose identity he did not know.

It appears that the informationed received by the USA while in Washington emanated from Congressman Fred E. Busbey and was received by the USA through the Department of Justice. In this connection Congressman Busbey, on June 11, 1948, called at the Bureau and requested advice as to whether the individuals whose interview was subsequently requested by the USA, Chicago, had been interviewed. On this occasion Congressman Busbey stated that he learned that Fortune Gallo had proceeded from Chicago to California where he contacted Earl J. Welch. Welch and Gallo then reportedly went to Dallas, Texas, where they contacted Mae Belcher who, in turn, took them to Maury Hughes. The group then allegedly went to Chicago where they met Murray Humphreys, Chicago underworld leader, in the Stevens Hotel. In addition, meetings were allegedly held on the evenings of August 1, 2, and 3 (no year given, although apparently referring to 1946) in the Edgewater Beach Hotel, Chicago.

Maury Hughes was reinterviewed at Dallas, Texas, and furnished the following information on June 25, 1948. He advised that for a number of years he had been acquainted with Ned Bakes, 1118 South Ashland Avenue, Chicago, and that Bakes was a personal friend. He said he met Bakes several years ago at a convention in Chicago and has visited him on most occasions when in Chicago. Hughes indicated that Ned Bakes did not, to his knowledge, have any connection with underworld characters in Chicago. Throughout the war years Bakes assisted Hughes in obtaining hotel reservations in Chicago and securing for him scarce merchandise. In the spring of 1947 Hughes stated that he told Bakes that he desired to secure an automobile and that Bakes made arrangements for Hughes to purchase a Dodge automobile through a dealer in Chicago. Hughes made available a cancelled check dated August 2, 1947, made payable to the Hart Motor Company, Inc. in the amount of $1,881.91. This check was drawn on Hughes' account in the Dallas National Bank. Hughes stated that this was the only automobile he purchased during 1947, with the exception of his purchase of a Ford car at Dallas in December of that year.

Hughes stated that in the early part of 1946 he went to Chicago, together with Howard Dailey, a private attorney in Dallas, and Clyde Hood, Assistant USA at Dallas. Hughes stated that he had business in Chicago, the exact nature of which he could not recall. Dailey also had business of his own in Chicago. Hughes explained that Clyde Hood merely went along for the ride. His party spent one day in Chicago and then went on to Washington and New York before returning to Texas.

Hughes definitely stated that Ned Bakes was not the "Mike Ryan" who paid him his legal fee for his services in connection with the dismissal

of the mail fraud indictments.

Clyde Hood and Howard Dailey upon interview confirmed the information furnished by Hughes relative to their trip to Chicago. Both Hood and Dailey admitted knowing Ned Bakes and Hood recalled their seeing Bakes while in Chicago on this trip which was in April, 1946. Hood also advised that he saw Bakes in Texas on two or three occasions in the past six months. On one occasion Bakes was seen by him on Maury Hughes' farm in Texas. Both Hood and Dailey advised that Nash Adams, Dallas attorney, was not present on this trip. Adams himself was interviewed and denied having been in Chicago since 1943.

Ned Bakes, 1118 South Ashland Avenue, Chicago, a used automobile dealer, was interviewed. He denied ever having used the name "Mike Ryan" or to have been involved in any manner in connection with the granting of the paroles in this case or the dismissal of the mail fraud indictments against subject. Bakes did admit that he had been a friend of many years of Fortune Gallo. About four or five years ago Gallo introduced Bakes to Earl Welch of Los Angeles. Bakes recalled seeing Gallo and Welch while in California on vacation about two years ago. At that time he met Mae Belcher who was with Gallo and Welch. Bakes identified a photograph of Mae Belcher, FBI #1056312, as the individual who was introduced to him in California and who was known as the "Texas Oil Queen." Bakes advised he first met Maury Hughes during the Democratic Convention of 1940 which was held in Chicago. Bakes said he had never traveled any place with Earl Welch and has never met Murray Humphreys. Bakes said that he is certain he was in Chicago during the first two weeks of May, 1947.

Earl Welch when interviewed stated he had been a close personal friend of Fortune Gallo for about twenty years. He has also known Maury Hughes casually for a number of years. Welch stated he accidentally met Hughes in New York City in September or October, 1947, on which occasion he had lunch with Hughes and Gallo. Welch indicated that Gallo had brought Ned Bakes to Welch's home in Los Angeles about eighteen months previous. Since that time Welch stated he had seen Bakes on several occasions. Welch stated he had never heard Hughes mention any of the subjects involved in this case.

Fortune Gallo, President of the San Carlo Opera Company, New York City, was interviewed and advised he met Ned Bakes in Chicago in January, 1946. In February, 1947, Gallo said he met Bakes accidentally in a New York restaurant on which occasion Maury Hughes was with Bakes. In May, 1947, Gallo had lunch in New York with Hughes and Earl Welch, a promoter from Los Angeles and long-time friend of Gallo. Gallo further advised that in October, 1947, Bakes and Hughes paid a social call on him while he was in Chicago.

Neither Bakes, Bailey, Gallo, Hood or Nelch could furnish any information as to the identity of "Mike Ryan." They also had no information with reference to the manner in which the paroles in this case were granted or the action taken with reference to the dismissal of the mail fraud indictments against subjects.

Investigation identified the Mae Belcher allegedly involved in this situation as being identical with FBI #1056312. She was located and interviewed at the residence of her daughter, [redacted] Texas, on July 2, 1948. She admitted knowing Bakes, Gallo and Nelch but declined to discuss her knowledge or association with them in any way. She denied knowing "Mike Ryan" or any of the subjects of this case. She also denied making any contact or having been contacted with reference to the paroles or having any knowledge concerning them except what she read in the newspaper. Mae Belcher did admit that she has known Maury Hughes for twenty-six years. She declined to discuss this matter further but stated she would have to be served with a subpoena before she would make further comment. b6 b7C

Anderson M. Belcher, the husband of Mae Belcher, was located and interviewed at Dallas on July 6, 1948. When first contacted he refused to discuss this case stating he would furnish information only when properly subpoenaed. He subsequently did state, however, that this is a "touchy and dangerous case." He denied knowing the identity of "Mike Ryan" but did admit being acquainted with Nelch, Gallo and Bakes. Belcher advised that his wife had been approached by "social acquaintances" in Los Angeles about two years ago. These acquaintances were interested in procuring paroles for the subjects of this case and sought to obtain the services of a lawyer with proper political influence. According to Belcher, his wife suggested the name of Maury Hughes who was subsequently contacted by Mae Belcher and the "social acquaintances" who were interested in the case.

Anderson M. Belcher further indicated that Hughes' fee in this case was $25,000. Belcher also indicated that the following individuals were the only ones who really knew the facts involved in procuring paroles for the subjects of this case. He identified these individuals as being the Attorney General, Tom Clark, Mae Belcher, Earl Nelch, Fortune Gallo, Ned Bakes, Maury Hughes and Murray Humphries. Belcher stated that after the press began publishing articles that the FBI was questioning Bakes, Gallo and Nelch, Mrs. Belcher received a telephone call in Los Angeles from Dallas requesting that she come to Dallas immediately for a conference because the parties making the request did not wish to talk to her over the phone. Belcher would not state who made this telephone call from Dallas or with whom they conferred after arriving in Dallas. He did state that a conference was held at the Baker Hotel, Dallas, on which occasion he and Mrs. Belcher were instructed what to say if questioned by the FBI or if they were called as witnesses before a Grand Jury or a Congressional Committee. Belcher intimated that his wife had been paid for her services in connection with this case, adding that it was "no crime for her to receive money from an attorney for having procured a large fee for him."

The information secured from the Belchers was specifically called to the attention of the Attorney General by memorandum dated July 7, 1948. The Chicago Division also specifically called this information to the attention of the U. S. Attorney at Chicago.

Maurray Humphries, 7710 South Bennett Street, Chicago, was interviewed July 3, 1948. He denied knowing Mae Belcher, Ned Bakes, Fortune Gallo or Earl Welch. His only knowledge of Maury Hughes was obtained from the Chicago newspapers. Humphries stated he did not meet anyone at the Stevens or Edgewater Beach Hotels or any other place at any time in connection with the paroles granted the subjects of this case. He specifically stated he did not meet Mae Belcher or any of the other individuals listed. Humphries stated he could furnish no information as to the identity of "Mike Ryan."

With reference to the allegation concerning meetings held at the Stevens Hotel, Chicago, the records there were checked. The hotel records reflect that Hughes has been a guest on several occasions. However, he was not a guest at this hotel in August, 1947. Hood, Dailey and Gallo each registered at the Stevens Hotel on one occasion. They were, however, not at the hotel at the same time. The Stevens Hotel records contain no information with reference to Nash Adams, Ned Bakes, Mae Belcher, Murray Humphries or Earl J. Welch. An examination of the records of the Edgewater Beach Hotel, Chicago, failed to reflect any information concerning these individuals with the exception that Maury Hughes was a guest there between August 1, and August 4, 1947. According to information received from Hughes and Ned Bakes, Hughes, together with his wife and son, was in Chicago on this occasion for the purpose of purchasing an automobile. The details of this purchase have been previously set forth in this brief.

Requests Made June 24 and June 29, 1948

PAYMENT OF $14,000 TO MAURY HUGHES

The information obtained from the records of the Stevens Hotel, Chicago, reflecting that Maury Hughes registered there on May 6, 1947, was specifically called to the attention of the U. S. Attorney at Chicago, inasmuch as Hughes had previously testified that he was paid his $14,000 legal fee at New York City on this date. It was determined that Hughes registered at the Stevens Hotel at 10:40 P.M., on May 6, 1947, which would have been possible therefore for Hughes to have received his $14,000 during banking hours in New York City and to have reached Chicago that evening by air. The U. S. Attorney did request, however, that branches of the Corn Exchange Bank in the vicinity of the Commodore Hotel, New York City be checked to determine if there was any record of Hughes receiving $14,000 at either of those branch banks. The banks indicated were contacted and no record of Hughes receiving a certificate of deposit or cashier's check was located.

The U. S. Attorney at Chicago was advised of this fact and thereafter made available information concerning Hughes' testimony which indicated that Hughes may possibly not have stayed at the Commodore Hotel in May, 1947, but may have stayed at either the Park Lane Hotel or another hotel in the vicinity of either the Commodore or the Park Lane. It was further indicated by the U. S. Attorney that possibly a Mr. Siebers may have been associated with Hughes in New York City on this occasion.

The records of the Park Lane Hotel, New York City failed to reflect any information with reference to Hughes, "Mike Ryan" or a Mr. Siebers. Mr. William

Aull, assistant manager of the Park Lane Hotel, advised that the name "Mike Ryan" was vaguely familiar to him and for some reason he associated it with the Hotel Chatham, Vanderbilt Avenue and 48th Street, New York City. Mr. Aull advised that the name may have been discussed by Dwight Bartlett, who was formerly manager of the Hotel Chatham.

William Deering, assistant manager of the Chatham Hotel stated that according to the records of that establishment, Maury Hughes of Dallas, Texas, had registered there on May 3, 1947, and occupied Suite 604. This suite is presently registered in the name of the Consolidated Television Company, which company has been paying $20 per day for this suite since early 1946. Deering stated that the Consolidated Television Company was formerly known as Emby Distributors. The company which has also been known as the General Distributors and the Sutton Distributors deals in slot machines, juke boxes and vending machines. He added that Frank Costello, reputed New York racketeer, had on unknown occasions stayed overnight in this suite. The names "Mike Ryan" and Mr. Siebers were not familiar to Mr. Deering. He was unable to recall Maury Hughes. The hotel bill reflected that Hughes incurred expenses of $35.30 for cigars, telephone calls, etc. It was noted on the registration card that there would be no charge for the room. Hughes checked out on May 6, 1947, and did not pay his bill, which was sent to the Emby Distributors.

Approximately two blocks north of the Chatham Hotel is located a branch of the Corn Exchange Bank at Park Avenue and 52nd Street. The records of this bank disclosed that a certificate of deposit 10079 was issued by the bank on May 6, 1947, indicating that Maury Hughes had deposited $14,000 to his own credit on that date. The certificate of deposit, endorsed by Maury Hughes and by Hughes and Monroe, was deposited in the Dallas National Bank on May 9 or May 10, 1947, and ultimately paid by the Corn Exchange Bank on May 13, 1947. The employees who handled this transaction are no longer employed at this branch of the bank. One of these employees was Mrs. Josephine M. Carr, who now resides at 100 Elm Avenue, Mount Vernon, New York. Mrs. Carr recalled that in the Summer of 1947 a person who stated he was a professional man from Texas appeared before her cage alone and requested a cashier's check or a certificate of deposit for $14,000. She vaguely recalled that he stated he was in New York City for a convention. Mrs. Carr made out a certificate of deposit but because of the large amount of money involved and because Hughes was a stranger with no introduction or references, she called George M. Bryan, then assistant manager of this branch, to her cage. She recalls that Mr. Bryan asked Hughes for identification and questioned him as to the source of the $14,000. As she remembers it, Hughes gave a "cagy and evasive answer" which she was unable to recall. After Bryan was satisfied, Mrs. Carr stated she gave Hughes the certificate of deposit, and he walked out. She is certain that the entire transaction was handled by Maury Hughes, Bryan and herself. No other persons were with Hughes while he was at her cage in the bank. She stated that the transaction took place in the early afternoon but she could not recall the denominations or approximate number of bills which Hughes tendered in payment for the certificate. Mrs. Carr stated that the names "Mike Ryan" and Mr. Siebers meant nothing to her.

Mr. George M. Bryan, now a bank examiner for the Corn Exchange Bank,

while he was assistant manager of the Park Avenue branch, recalled certain details with reference to the transaction involving the $14,000 certificate of deposit. He remembered Mrs. Carr calling him over in connection with this certificate because it was in an amount extremely in excess of the usual transactions at this branch. While he remembers the transaction, he was unable to recall the name Hughes. Bryan stated that he stood inside the cage with Mrs. Carr and that Hughes paid for the certificate of deposit in bills of $10, $20, and $50 denominations. He said that Hughes had a pack of currency about 5" thick. He said that Hughes identified himself with a license or some other similar identification. Bryan stated that he requested Hughes to advise him the source of the money. After surprise, obvious hesitation and "cagy attempts" at evasion, Hughes told Bryan that he had won the money at the horse races. Bryan was certain that Hughes was alone during this transaction. The names "Mike Ryan" and Mr. Siebers meant nothing to Bryan. An examination of the bank records failed to reflect any other $14,000 item which related to this certificate of deposit.

Request Made July 2, 1948

Mr. Dwight Bartlett, former manager of the Hotel Chatham, New York City, was interviewed at Dayton, Ohio, on July 6, 1948. He stated that the name "Mike Ryan" is unknown to him and he was unable to recall anyone by this name ever staying at the Chatham Hotel. Bartlett was unable to furnish any information regarding the individuals who occupied Suite 604 at the Hotel Chatham.

A group of photographs including one of Maury Hughes was shown to Mrs. Carr and Mr. Bryan. Both of them set aside the photograph of Hughes and said he strongly resembled the purchaser of the $14,000 certificate of deposit on May 6, 1948. They were unable, however, to make a positive identification on the basis of the photograph.

Photostatic copies of the records requested by the U. S. Attorney at Chicago were secured and made available to him.

RESULTS OF GRAND JURY PROCEEDINGS

An indictment was returned by a Federal Grand Jury at Chicago on January 12, 1948, against Eugene Bernstein and Anthony Accardo. Bench warrants were issued on the same date. The indictment was in five counts and charged a violation of Section 80 and Section 88, Title 18, U. S. Code (Section 80 is the False Claims Statute and Section 88 is the General Conspiracy Statute).

Count one of the indictment charged that Accardo and Bernstein knowingly, wilfully falsifying, concealing and covering up by means of a trick, scheme and device a material fact of a matter within the jurisdiction of the Department of Justice, a department of the United States, conspired to secure admission of Anthony Joseph Accardo to Leavenworth Penitentiary to visit Paul DeLucia and Louis Campagna, inmates thereof, by concealing the true identity of Accardo and preventing the warden, or persons acting in his place, from properly exercising his discretion upon the matter of propriety of admitting Accardo to visit the aforesaid inmates. Count one contained 29 overt acts, naming specifically eight letters written by Bernstein to the Warden of Leavenworth Penitentiary requesting permission to visit Campagna, two telegrams sent by Bernstein to the Warden containing similar requests as set out in the letters, and ten telephone conversations between Bernstein and Accardo during the pertinent period, and nine visits to the penitentiary, whereupon Accardo signed the admission register using the name of Joseph Bulger.

Counts two through five refer specifically to letters written by Bernstein to the Warden of Leavenworth Penitentiary dated October 9, 1945, January 7, 1946, April 20, 1946, and July 11, 1946, and the false registration on each subsequent visit in connection with these letters as signed by Accardo on the admission register at Leavenworth Penitentiary.

The acts enumerated on counts two through five state that the defendants did knowingly andwilfully conceal and cover up by means of a trick, scheme and device the true name and identity of Anthony Joseph Accardo, the material fact, and a matter within the jurisdiction of the Department of Justice, a department of the United States of America.

Accardo and Bernstein surrendered themselves to the U. S. Marshal, Chicago, Illinois, on January 13, 1948, and were immediately thereafter released on bond. Bernstein's bond was reduced from $10,000 to $5,000 and Accardo's bond was set at $10,000.

On June 7, 1948, Accardo and Bernstein were arraigned in the U. S. District Court at Chicago. They entered pleas of not guilty. The trial of this case was set for November 8,1948. After a jury trial, Accardo and Bernstein were acquitted on November 21, 1948. The Grand Jury was reported to have been discharged at its own request on December 16, 1948, without further action.

ACTION TAKEN BY U. S. BOARD OF PAROLE

According to information made available by Mr. Otto Kerner, Jr., U. S. Attorney, Chicago, subject Paul DeLucia was arrested at his residence on June 16, 1948, by the U. S. Marshal pursuant to a parole violator's warrant issued by the U. S. Board of Parole. DeLucia was released from custody the same day on bond pursuant to a writ of habeas corpus filed in his behalf in the U. S. District Court, Chicago. A hearing on this writ was set for July 8, 1948. On that date, District Judge Michael L. Igoe heard legal arguments from the attorney for DeLucia and the U. S. Attorney as to the writ. After subsequent adjournments, Judge Igoe granted the writ on November 23, 1948 and ordered DeLucia released. The U. S. Attorney indicated he would enter an appeal.

Mr. Kerner advised that Louis Campagna, accompanied by his attorney, surrendered to the U. S. Attorney in the chambers of U. S. District Judge John P. Barnes at 10:15 A. M. on July 23, 1948, pursuant to a parole violator's warrant. A writ of habeas corpus was immediately filed and Capagna was given a hearing by Judge Barnes. The writ of habeas corpus was denied and Campagna was thereafter transported to the Atlanta Penitentiary.

Subject Charles Gioe was arrested by the U. S. Marshal at Chicago on July 23, 1948, on a parole violator's warrant. He was immediately transported thereafter to the Atlanta Penitentiary.

Writs of habeas corpus were filed on September 2, 1948 in USDC, Atlanta in behalf of subjects Campagna and Gioe. The court ordered the government to show cause by September 20, 1948 why petitions should not be granted. The writs allege that there was no basis for the issuance of parole violator warrants claiming the warrants were issued only because of political pressure occasioned by the Congressional Committee interested in this case. Hearings on these writs were held on October 28, 1948. On December 4, 1948, the USDC, Atlanta, sustained the writs of habeas corpus and ordered Campagna and Gioe released. An appeal from this decision is pending.

A parole violator's warrant was also issued for subject John Roselli. He voluntarily surrendered to the U. S. Marshal at Los Angeles on July 27, 1948. A petition of habeas corpus was immediately filed by Roselli's attorneys. Senior U. S. District Judge Paul J. McCormick issued an order to show cause why the writ should not be granted and set August 2, 1948, for arguments on the order. However, Judge McCormick ruled that Roselli must remain in jail pending this hearing. This hearing was subsequently continued to August 16, 1948, and on that date to August 25th to allow attorneys for Roselli to file further briefs. On September 7, 1948, Roselli's petition for writ of habeas corpus was denied by the USDC, Los Angeles. An immediate notice of appeal was filed. Press dispatches dated November 16, 1948 stated that the U. S. Board of Parole had ordered the release of Roselli indicating that there was insufficient evidence to justify the previous revocation of Roselli's parole.

CURRENT ACTIVITIES OF SUBJECT ROSELLI

By Memorandum dated March 5, 1948, the Bureau furnished to the Attorney General information received from a confidential informant [redacted] to the effect that Subject John Roselli was associating with underworld characters and gamblers at Los Angeles. This memorandum was returned by the Attorney General with a notation that a full investigation should be conducted to determine what underworld characters, gamblers and ex-convicts Roselli is associating with. (EXHIBIT 42)

A physical surveillance of Roselli has established that he is associating with Frank Desimone, attorney for several Los Angeles hoodlums. Roselli has been observed frequenting Jerry Rothchild's Barber Shop which is a well-known hangout for Los Angeles hoodlums. According to information received from a confidential informant [redacted] at the Eagle-Lion Motion Picture Studios where Roselli is employed), Roselli is now a producer for the Eagle-Lion Studios. The informant indicated that Roselli is closely associated with Bryan Foy, Vice-President in Charge of Production at the Eagle-Lion Studios. Foy, according to the informant, has a reputation of being a "hoodlum lover". In the opinion of this informant, Roselli is "too smart" to meet with racketeers and hoodlums openly. The informant has heard it rumored that any meetings with such individuals by Roselli are made secretly in either the Palm Springs or Encino, California, residences of Bryan Foy. b7D

According to [redacted] who is presently serving as a confidential informant, Roselli is being very careful about his activities because he is on parole. According to this informant, Roselli's salary at the Eagle-Lion Studio has been raised from $60 to $100 per week. It was also learned by this informant that Roselli has invested between $20,000 and $30,000 in two motion pictures being produced at the studio.

Roselli has failed to register as a convicted felon with either the Los Angeles or Palm Springs Police Departments. In accordance with a request of the Department, the Los Angeles Police Department has been advised with reference to Roselli's failure to so register. According to information developed from a microphone surveillance being maintained on Roselli's office, it is apparent that the Los Angeles Police Department is conducting some inquiries concerning Roselli and that Roselli is cognizant that such inquiries are being made.

Roselli's parole was revoked and he was taken into custody July 27, 1948. Further details as to the revocation of Roselli's parole have been previously set forth on Page 168 under the heading "Action Taken By The U. S. Board of Parole".

EMPLOYMENT STATUS OF SUBJECT CIOE

By memorandum dated June 10, 1948, Mr. Peyton Ford, The Assistant to the Attorney General, requested that investigation be conducted to determine the present employment of Subject Cioe.

Paul Mann of the Consolidated Wire and Associated Industries, 1635 South Clinton Street, Chicago, Illinois, was interviewed on June 15, 1948, and advised that Cioe is presently handling the Tote Brush, Inc. for him. Mann stated that this was a separate corporation in which Mann had invested funds. He further indicated that Cioe had been a salesman for the Consolidated Wire and Associated Industries. Because of the publicity afforded this case in the Chicago newspapers, Cioe expressed a desire to Mann to cease this type of activity. Mann stated he told Cioe that he would keep him and they would find some enterprise in which to enter. Mann said that the Tote Brush, Inc. is located at 2411 North Clybourn Avenue, Chicago. This is the former address of the Gem Die Mold Company. Mann further advised that Tote Brush, Inc. was incorporated on April 13, 1948, at which time the corporation took over the assets and general business of the Gem Die Mold Company. The only actual change was the name of the company and the fact that the manufacture of Tote Brushes rather than fabricated dies was commenced. Mann stated he had informed the Gem Die Mold Company that they should get into the brush business, since the die business was a losing venture. According to Mann he had no interest in the Gem Die Mold Company prior to April 13, 1948, on which occasion this company was changed to the Tote Brush, Inc. At this time Mann invested funds in the latter company and advised that Cioe sat in the negotiations concerning this change prior to April 13, 1948. Since that time Cioe has been handling the affairs of the Tote Brush, Inc. for Mann.

Pursuant to an additional oral request made by USA Korner on June 17, 1948, the records of the Recorder of Deeds, Cook County, Illinois, were examined. These records revealed that an instrument entitled, "Amendment to Articles of Incorporation," was filed with the Secretary of the State of Illinois on March 25, 1948, by the Gem Die and Mold Company. Article 2 of this amendment changes the name from the Gem Die and Mold Company to Tote Brush, Inc. Article 5 of the amendment states that the shares of stock of Tote Brush, Inc. are to be issued share for share as are the certificates of stock for the Gem Die and Mold Company. This amendment was filed with the Cook County Recorder on March 29, 1948. The original Articles of Incorporation for the Gem Die and Mold Company were filed with the Illinois Secretary of State on October 1, 1946. The address of the corporation is listed as 1111 West Monroe Street, Chicago.

CONGRESSIONAL INTEREST IN INVESTIGATION

Concurrently with the Grand Jury hearings in this case in Chicago, Representatives Fred E. Busbey (R-Illinois) and Clare E. Hoffman (R-Michigan) have continued to express an interest in this case.

On January 19, 1948, Mr. Peyton Ford, The Assistant to the Attorney General, telephonically advised that Representative Hoffman had communicated with him asking that the Attorney General together with a representative of the U. S. Board of Parole and the Federal Bureau of Investigation appear the following week to testify before the committee on expenditures in the executive departments. Subsequently, on January 21, 1948, Mr. Ford advised that he felt that the Attorney General could make some arrangements with Congressman Hoffman with relation to the latter's request that a Bureau representative testify before his committee. No request that a Bureau representative testify was ever received at this time from Congressman Hoffman.

On March 8, 1948, Mr. George Washington of the Department telephonically advised relative to a request by Congressman Hoffman that the Bureau Special Agent who interviewed James Doherty, Chicago Tribune reporter, appear before the Congressional committee to testify as to this interview. Mr. Washington indicated that the Attorney General was out of town and that he had discussed the matter with Mr. Philip B. Perlman, the Solicitor General. According to Mr. Washington, the Solicitor General wrote Congressman Hoffman advising him that this was a matter upon which the Attorney General would have to pass personally and that the matter would be brought to the attention of the Attorney General when he returned to the city later that week. No further request for this Agent's testimony was received.

By letter dated June 9, 1948, Congressman Hoffman addressed a letter to the Attorney General and to the Bureau requesting that these officials together with any assistants they deemed necessary appear before the Congressional committee. Congressman Hoffman asked that a date be designated which would be convenient for this testimony. The Bureau's reply to this request was by letter dated June 14, 1948, in which Mr. Hoffman was advised that his letter had been referred to the Attorney General as to the course of action to be followed. No reply from the Attorney General or instructions relative to any testimony by a Bureau representative has been received.

Mr. Peyton Ford subsequently advised, however, that the request for testimony by a Bureau representative had been withdrawn by the Congressional committee. Both Congressman Hoffman and Congressman Busbey have on several occasions informally contacted Bureau officials in an effort to secure copies of the Bureau's reports in this case or to determine specific matters relative to the investigation. In these instances, the Bureau's position that these matters are within the control of the Attorney General has been furnished both these Congressmen.

EXHIBIT 43

By letter dated September 8, 1948 from Chicago, Congressman Busbey requested Bureau assistance in locating Ned Bakes of 1118 S. Ashland Avenue, Chicago, in order that a subpoena might be served on him for appearance before the Congressional Committee holding hearings in this case. By letter dated September 15, 1948 Busbey's letter was acknowledged and he was advised his communication was being referred to the Attorney General for his consideration.